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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR  
THE FISCAL YEAR ENDING JUNE 30, 2015

Introduced By: Representative Raymond E.Gallison

Date Introduced: January 16, 2014

Referred To: House Finance

(Governor)

It is enacted by the General Assembly as follows:

1

**ARTICLE 1**

2

RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2015

3

SECTION 1. Subject to the conditions, limitations and restrictions hereinafter contained

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in this act, the following general revenue amounts are hereby appropriated out of any money in

5

the treasury not otherwise appropriated to be expended during the fiscal year ending June 30,

6

2015. The amounts identified for federal funds and restricted receipts shall be made available

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pursuant to section 35-4-22 and Chapter 41 of Title 42 of the Rhode Island General Laws. For the

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purposes and functions hereinafter mentioned, the state controller is hereby authorized and

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directed to draw his or her orders upon the general treasurer for the payment of such sums or such

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portions thereof as may be required from time to time upon receipt by him or her of properly

11

authenticated vouchers.

12

**Administration**

13

*Central Management*

14

General Revenues 1,999,772

15

Office of Digital Excellence 908,192

16

Total – General Revenues 2,907,964

17

Total – Central Management 2,907,964

18

*Legal Services*

1	General Revenues	2,039,872
2	Total – Legal Services	2,039,872
3	<i>Accounts and Control</i>	
4	General Revenues	4,033,748
5	Total – Accounts and Control	4,033,748
6	<i>Office of Management and Budget</i>	
7	General Revenues	4,154,611
8	Restricted Receipts	61,374
9	Total – Office of Management and Budget	4,215,985
10	<i>Purchasing</i>	
11	General Revenues	2,735,956
12	Other Funds	308,496
13	Total – Purchasing	3,044,452
14	<i>Auditing</i>	
15	General Revenues	1,434,565
16	Total – Auditing	1,434,565
17	<i>Human Resources</i>	
18	General Revenues	7,830,548
19	Federal Funds	766,793
20	Restricted Receipts	461,639
21	Other Funds	1,547,079
22	Total – Human Resources	10,606,059
23	<i>Personnel Appeal Board</i>	
24	General Revenues	75,216
25	Total – Personnel Appeal Board	75,216
26	<i>Facilities Management</i>	
27	General Revenues	30,816,117
28	Federal Funds	1,155,237
29	Restricted Receipts	462,262
30	Other Funds	3,322,025
31	Total – Facilities Management	35,755,641
32	<i>Capital Projects and Property Management</i>	
33	General Revenues	1,278,254
34	Total – Capital Projects and Property Management	1,278,254

1	<i>Information Technology</i>	
2	General Revenues	19,377,273
3	Federal Funds	6,631,482
4	Restricted Receipts	4,099,027
5	Other Funds	3,701,511
6	Total – Information Technology	33,809,293
7	<i>Library and Information Services</i>	
8	General Revenues	881,464
9	Federal Funds	1,184,567
10	Restricted Receipts	653
11	Total – Library and Information Services	2,066,684
12	<i>Planning</i>	
13	General Revenues	4,442,778
14	Federal Funds	12,662,645
15	Other Funds	
16	Federal Highway – PL Systems Planning	2,984,304
17	Air Quality Modeling	22,875
18	Other Funds Total	3,007,179
19	Total – Planning	20,112,602
20	<i>General</i>	
21	General Revenues	
22	Rhode Island Commerce Corporation	5,395,572
23	RICC – Airport Impact Aid	1,025,000
24	Sixty percent (60%) of the first \$1,000,000 appropriated for airport impact aid shall be	
25	distributed to each airport serving more than 1,000,000 passengers based upon its percentage of	
26	the total passengers served by all airports serving more than 1,000,000 passengers. Forty percent	
27	(40%) of the first \$1,000,000 shall be distributed based on the share of landings during the	
28	calendar year 2014 at North Central Airport, Newport-Middletown Airport, Block Island Airport,	
29	Quonset Airport, T.F. Green Airport and Westerly Airport, respectively. The Rhode Island	
30	Commerce Corporation shall make an impact payment to the towns or cities in which the airport	
31	is located based on this calculation. Each community upon which any parts of the above airports	
32	are located shall receive at least \$25,000.	
33	RICC – EPScore (Research Alliance)	1,150,000
34	Innovative Matching Grants	500,000

1	Miscellaneous Grants/Payments	146,049
2	Slater Centers of Excellence	500,000
3	Torts – Courts/Awards	400,000
4	Current Care/Health Information Exchange	225,000
5	I-195 Commission	301,000
6	RI Film and Television Office	310,312
7	State Employees/Teachers Retiree Health Subsidy	2,321,057
8	Resource Sharing and State Library Aid	8,773,398
9	Library Construction Aid	2,331,589
10	General Revenue Total	23,378,977
11	Federal Funds	4,345,555
12	Restricted Receipts	421,500
13	Other Funds	
14	Rhode Island Capital Plan Fund	
15	Statehouse Renovations	3,000,000
16	DoIT Enterprise Operations Center	250,000
17	Cranston Street Armory	1,000,000
18	Cannon Building	440,000
19	Zambarano Building Rehabilitation	500,000
20	Pastore Center Rehab DOA Portion	3,150,000
21	Old State House	1,445,000
22	State Office Building	1,700,000
23	Old Colony House	100,000
24	William Powers Building	1,475,000
25	Fire Code Compliance State Buildings	500,000
26	Pastore Center Fire Code Compliance	1,300,000
27	Pastore Center Utility Systems Upgrade	2,600,000
28	Replacement of Fueling Tanks	300,000
29	Environmental Compliance	200,000
30	Big River Management Area	120,000
31	Pastore Center Building Demolition	1,500,000
32	Washington County Government Center	225,000
33	Chapin Health Laboratory	1,250,000
34	Pastore Center Parking	890,000

1	Pastore Center Water Tanks	250,000
2	Pastore Cottages Rehab	800,000
3	Ladd Center Building Demolition	2,100,000
4	I-195 Commission	250,000
5	RI Convention Center Authority	1,000,000
6	Dunkin Donuts Center	1,387,500
7	Mathias	800,000
8	Pastore Center Power Plant	194,723
9	Harrington Hall Renovations	1,400,000
10	McCoy Stadium	50,000
11	Other Funds Total	30,177,223
12	Total – General	58,323,255
13	<i>Debt Service Payments</i>	
14	General Revenues	187,623,893
15	Out of the general revenue appropriations for debt service, the General Treasurer is	
16	authorized to make payments for the I-195 Redevelopment District Commission loan up to the	
17	maximum debt service due in accordance with the loan agreement.	
18	Federal Funds	2,667,399
19	Restricted Receipts	2,089,305
20	Other Funds	
21	Transportation Debt Service	26,828,667
22	Investment Receipts – Bond Funds	100,000
23	COPS – DLT Building – TDI	271,653
24	Other Funds Total	27,200,320
25	Total - Debt Service Payments	219,580,917
26	<i>Energy Resources</i>	
27	Federal Funds	524,775
28	Restricted Receipts	5,265,426
29	Total – Energy Resources	5,790,201
30	<i>Rhode Island Health Benefits Exchange</i>	
31	Federal Funds	23,433,222
32	Total – Rhode Island Health Benefits Exchange	23,433,222
33	<i>Construction Permitting, Approvals and Licensing</i>	
34	General Revenues	1,483,525

1	Restricted Receipts	1,339,903
2	Total – Construction Permitting, Approvals and Licensing	2,823,428
3	<i>Office of Diversity, Equity &amp; Opportunity</i>	
4	General Revenues	1,101,170
5	Federal Funds	82,284
6	Total – Office of Diversity, Equity & Opportunity	1,183,454
7	Grand Total – General Revenue Funds	295,595,931
8	Grand Total – Administration	432,514,812
9	<b>Business Regulation</b>	
10	<i>Central Management</i>	
11	General Revenues	1,234,949
12	Total – Central Management	1,234,949
13	<i>Banking Regulation</i>	
14	General Revenues	1,514,260
15	Restricted Receipts	50,000
16	Total – Banking Regulation	1,564,260
17	<i>Securities Regulation</i>	
18	General Revenues	1,009,651
19	Restricted Receipts	3,500
20	Total – Securities Regulation	1,013,151
21	<i>Insurance Regulation</i>	
22	General Revenues	3,883,238
23	Restricted Receipts	1,294,012
24	Total – Insurance Regulation	5,177,250
25	<i>Office of the Health Insurance Commissioner</i>	
26	General Revenues	507,142
27	Federal Funds	2,021,830
28	Restricted Receipts	10,500
29	Total – Office of the Health Insurance Commissioner	2,539,472
30	<i>Board of Accountancy</i>	
31	General Revenues	16,654
32	Total – Board of Accountancy	16,654
33	<i>Commercial Licensing, Racing &amp; Athletics</i>	
34	General Revenues	586,948

1	Restricted Receipts	583,111
2	Total – Commercial Licensing, Racing & Athletics	1,170,059
3	<i>Boards for Design Professionals</i>	
4	General Revenues	260,635
5	Total – Boards for Design Professionals	260,635
6	Grand Total – General Revenue Funds	9,013,477
7	Grand Total – Business Regulation	12,976,430
8	<b>Labor and Training</b>	
9	<i>Central Management</i>	
10	General Revenues	93,361
11	Restricted Receipts	337,854
12	Other Funds	
13	Rhode Island Capital Plan Fund	
14	Center General Building Roof	505,996
15	Center General Asset Protection	1,500,000
16	Other Funds Total	2,005,996
17	Total – Central Management	2,437,211
18	<i>Workforce Development Services</i>	
19	General Funds	1,661,269
20	Federal Funds	23,892,612
21	Restricted Receipts	8,354,795
22	Other Funds	75,000
23	Total – Workforce Development Services	33,983,676
24	<i>Workforce Regulation and Safety</i>	
25	General Revenues	2,720,916
26	Total – Workforce Regulation and Safety	2,720,916
27	<i>Income Support</i>	
28	General Revenues	4,317,409
29	Federal Funds	18,291,060
30	Restricted Receipts	
31	Restricted Receipts	2,146,562
32	Job Development Fund	20,460,000
33	Restricted Receipts Total	22,606,562
34	Other Funds	

1	Temporary Disability Insurance Fund	198,485,516
2	Employment Security Fund	218,620,120
3	Other Funds Total	417,105,636
4	Total – Income Support	462,320,667
5	<i>Injured Workers Services</i>	
6	Restricted Receipts	8,951,372
7	Total – Injured Workers Services	8,951,372
8	<i>Labor Relations Board</i>	
9	General Revenues	388,648
10	Total – Labor Relations Board	388,648
11	Grand Total – General Revenue Funds	9,181,603
12	Grand Total – Labor and Training	510,802,490
13	<b>Department of Revenue</b>	
14	<i>Director of Revenue</i>	
15	General Revenues	1,122,100
16	Total – Director of Revenue	1,122,100
17	<i>Office of Revenue Analysis</i>	
18	General Revenues	564,334
19	Total – Office of Revenue Analysis	564,334
20	<i>Lottery Division</i>	
21	Other Funds	
22	Lottery Funds	342,306,302
23	Total – Lottery Division	342,306,302
24	<i>Municipal Finance</i>	
25	General Revenues	1,996,992
26	Total – Municipal Finance	1,996,992
27	<i>Taxation</i>	
28	General Revenues	18,430,344
29	Federal Funds	1,294,330
30	Restricted Receipts	878,210
31	Other Funds	
32	Motor Fuel Tax Evasion	43,232
33	Temporary Disability Insurance	952,454
34	Other Funds Total	995,686

1	Total – Taxation	21,598,570
2	<i>Registry of Motor Vehicles</i>	
3	General Revenues	9,276,813
4	Federal Funds	1,654,256
5	Restricted Receipts	14,763
6	Total – Registry of Motor Vehicles	20,945,832
7	<i>State Aid</i>	
8	General Revenue	
9	Distressed Communities Relief Fund	10,384,458
10	Payment in Lieu of Tax Exempt Properties	35,080,409
11	Motor Vehicle Excise Tax Payments	10,000,000
12	Property Revaluation Program	633,209
13	Municipal Aid	5,000,000
14	Total – General Revenue Total	61,098,076
15	Restricted Receipts	922,013
16	Total – State Aid	62,020,089
17	Grand Total – General Revenue Funds	102,488,659
18	Grand Total – Revenue	450,554,219
19	<b>Legislature</b>	
20	General Revenues	36,429,671
21	Restricted Receipts	1,587,079
22	Grand Total – Legislature	38,016,750
23	<b>Lieutenant Governor</b>	
24	General Revenues	1,015,084
25	Federal Funds	74,350
26	Grand Total – Lieutenant Governor	1,089,434
27	<b>Secretary of State</b>	
28	<i>Administration</i>	
29	General Revenues	2,205,748
30	Total – Administration	2,205,748
31	<i>Corporations</i>	
32	General Revenues	2,278,601
33	Total – Corporations	2,278,601
34	<i>State Archives</i>	

1	General Revenues	69,266
2	Restricted Receipts	514,752
3	Total – State Archives	584,018
4	<i>Elections &amp; Civics</i>	
5	General Revenues	1,636,292
6	Total – Elections and Civics	1,636,292
7	<i>State Library</i>	
8	General Revenues	521,178
9	Total – State Library	521,178
10	<i>Office of Public Information</i>	
11	General Revenues	626,118
12	Receipted Receipts	15,000
13	Total – Office of Public Information	641,118
14	Grand Total – General Revenue Funds	7,337,203
15	Grand Total – Secretary of State	7,866,955
16	<b>General Treasurer</b>	
17	Treasury	
18	General Revenues	2,306,467
19	Federal Funds	270,861
20	Restricted Receipts	37,651
21	Other Funds	
22	Temporary Disability Insurance Fund	220,608
23	Other Funds Total	220,608
24	Total – Treasury	2,835,587
25	<i>State Retirement System</i>	
26	Restricted Receipts	
27	Admin Expenses – State Retirement System	9,308,412
28	Retirement – Treasury Investment Operations	1,265,045
29	Defined Contribution – Administration	263,588
30	Restricted Receipts Total	10,837,045
31	Total – State Retirement System	10,837,045
32	Unclaimed Property	
33	Restricted Receipts	19,524,231
34	Total – Unclaimed Property	19,524,231

1	<i>Crime Victim Compensation Program</i>	
2	General Revenues	225,638
3	Federal Funds	599,477
4	Restricted Receipts	1,131,949
5	Total – Crime Victim Compensation Program	1,957,064
6	Grand Total – General Revenue Funds	2,532,105
7	Grand Total – General Treasurer	35,153,927
8	<b>Board of Elections</b>	
9	General Revenues	
10	General Revenues	2,145,127
11	Public Financing of General Elections	2,000,000
12	General Revenue Total	4,145,127
13	Grand Total – Board of Elections	4,145,127
14	<b>Rhode Island Ethics Commission</b>	
15	General Revenues	1,581,205
16	Grand Total – Rhode Island Ethics Commission	1,581,205
17	<b>Office of Governor</b>	
18	General Revenues	
19	General Revenues	4,402,562
20	Contingency Fund	250,000
21	General Revenue Total	4,652,562
22	Grand Total – Office of Governor	4,652,562
23	<b>Commission for Human Rights</b>	
24	General Revenues	1,193,083
25	Federal Funds	287,096
26	Grand Total – Commission for Human Rights	1,480,179
27	<b>Public Utilities Commission</b>	
28	Federal Funds 87,733	
29	Restricted Receipts 8,531,738	
30	Grand Total – Public Utilities Commission	8,619,471
31	<b>Office of Health and Human Services</b>	
32	<i>Central Management</i>	
33	General Revenues	28,998,985
34	Federal Funds	

1	Federal Funds	92,223,591
2	Federal Funds – Stimulus	312,000
3	Federal Funds Total	92,535,591
4	Restricted Receipts	5,292,880
5	Total – Central Management	126,827,456
6	<i>Medical Assistance</i>	
7	General Revenue	
8	Managed Care	278,857,024
9	Hospitals	82,077,840
10	Nursing Facilities	83,705,501
11	Home and Community Based Services	18,689,149
12	Other Services	46,020,916
13	Pharmacy	51,131,483
14	Rhody Health	258,137,601
15	General Revenue Total	818,619,514
16	Federal Funds	
17	Managed Care	303,187,165
18	Hospitals	82,380,081
19	Nursing Facilities	83,806,008
20	Home and Community Based Services	24,810,851
21	Other Services	365,663,784
22	Pharmacy	(504,783)
23	Rhody Health	260,535,199
24	Special Education	19,000,000
25	Federal Funds Total	1,138,878,305
26	Restricted Receipts	8,515,000
27	Total – Medical Assistance	1,966,012,819
28	Grand Total – General Revenue Funds	847,618,499
29	Grand Total – Office of Health and Human Services	2,092,840,275
30	<b>Children, Youth, and Families</b>	
31	<i>Central Management</i>	
32	General Revenues	4,625,414
33	Federal Funds	2,269,607
34	Total – Central Management	6,895,021

1	<i>Children's Behavioral Health Services</i>	
2	General Revenues	6,070,125
3	Federal Funds	6,051,239
4	Other Funds	
5	Rhode Island Capital Plan Funds	
6	NAFI Center	21,494
7	Various Repairs and Improvements to YDC	1,154,000
8	Other Funds Total	1,175,494
9	Total – Children's Behavioral Health Services	13,296,858
10	<i>Juvenile Correctional Services</i>	
11	General Revenue	23,400,611
12	Federal Funds	271,588
13	Other Funds	
14	Rhode Island Capital Plan Fund	
15	Thomas C. Slater Training School Maintenance Building	200,000
16	Other Funds Total	200,000
17	Total – Juvenile Correctional Services	23,872,199
18	<i>Child Welfare</i>	
19	General Revenues	
20	General Revenues	104,416,147
21	18 to 21 Year Olds	9,703,340
22	General Revenue Total	114,119,487
23	Federal Funds	
24	Federal Funds	45,745,611
25	18 – 21 Year Olds	1,342,963
26	Federal Funds – Stimulus	446,340
27	Federal Funds Total	47,534,914
28	Restricted Receipts	2,448,750
29	Other Funds	
30	Rhode Island Capital Plan Fund	
31	Fire Code Upgrades	850,000
32	Other Funds Total	850,000
33	Total – Child Welfare	164,953,151
34	<i>Higher Education Incentive Grants</i>	

1	General Revenues	200,000
2	Total – Higher Education Incentive Grants	200,000
3	Grand Total – General Revenue Funds	148,415,637
4	Grand Total – Children, Youth, and Families	209,217,229
5	<b>Health</b>	
6	<i>Central Management</i>	
7	General Revenues	541,605
8	Federal Funds	8,071,320
9	Restricted Receipts	4,226,651
10	Total – Central Management	12,839,576
11	<i>State Medical Examiner</i>	
12	General Revenues	2,431,511
13	Federal Funds	141,325
14	Total – State Medical Examiner	2,572,836
15	<i>Environmental and Health Services Regulation</i>	
16	General Revenues	9,251,095
17	Federal Funds	5,924,339
18	Restricted Receipts	3,628,936
19	Total – Environmental and Health Services Regulation	18,804,370
20	<i>Health Laboratories</i>	
21	General Revenues	6,130,022
22	Federal Funds	
23	Federal Funds	1,718,714
24	Federal Funds – Stimulus	6,500
25	Federal Funds Total	1,725,214
26	Total – Health Laboratories	7,855,236
27	<i>Public Health Information</i>	
28	General Revenues	1,559,128
29	Federal Funds	2,066,331
30	Total – Public Health Information	3,625,459
31	<i>Community and Family Health and Equity</i>	
32	General Revenues	2,171,249
33	Federal Funds	
34	Federal Funds	40,748,562

1	Federal Funds – Stimulus	1,267,231
2	Federal Funds Total	42,015,793
3	Restricted Receipts	26,137,670
4	Total – Community and Family Health and Equity	70,324,712
5	<i>Infectious Disease and Epidemiology</i>	
6	General Revenues	1,428,520
7	Federal Funds	5,150,071
8	Total – Infectious Disease and Epidemiology	6,578,591
9	Grand Total – General Revenue	23,513,130
10	Grand Total – Health	122,600,780
11	<b>Human Services</b>	
12	<i>Central Management</i>	
13	General Revenues	4,890,516
14	Federal Funds	3,777,064
15	Restricted Receipts	522,542
16	Total – Central Management	9,190,122
17	<i>Child Support Enforcement</i>	
18	General Revenues	2,362,840
19	Federal Funds	5,877,595
20	Total – Child Support Enforcement	8,240,435
21	<i>Individual and Family Support</i>	
22	General Revenues	25,177,187
23	Federal Funds	
24	Federal Funds	117,044,391
25	Federal Funds – Stimulus	10,571,598
26	Federal Funds Total	127,615,989
27	Restricted Receipts	4,727,996
28	Other Funds	
29	Rhode Island Capital Plan Fund	
30	Blind Vending Facilities	165,000
31	Intermodal Surface Transportation Fund	4,162,981
32	Food Stamp Bonus Funding	150,000
33	Other Funds Total	4,477,981
34	Total – Individual and Family Support	161,999,153

1	<i>Veterans' Affairs</i>	
2	General Revenues	20,274,566
3	Federal Funds	7,481,344
4	Restricted Receipts	635,000
5	Total – Veterans' Affairs	28,390,910
6	<i>Health Care Eligibility</i>	
7	General Revenues	8,226,587
8	Federal Funds	11,774,391
9	Total – Health Care Eligibility	20,000,978
10	<i>Supplemental Security Income Program</i>	
11	General Revenues	18,639,135
12	Total – Supplemental Security Income Program	18,639,135
13	<i>Rhode Island Works</i>	
14	General Revenues	
15	Child Care	9,668,635
16	General Revenue Total	9,668,635
17	Federal Funds	78,233,435
18	Total – Rhode Island Works	87,902,070
19	<i>State Funded Programs</i>	
20	General Revenues	
21	General Public Assistance	1,663,858
22	Of this appropriation, \$210,000 shall be used for hardship contingency payments.	
23	General Revenue Total	1,663,858
24	Federal Funds	300,692,138
25	Total – State Funded Programs	302,355,996
26	<i>Elderly Affairs</i>	
27	General Revenues	
28	General Revenue	6,195,226
29	RIPAE	174,484
30	Care and Safety of the Elderly	958
31	General Revenue Total	6,370,668
32	Federal Funds	12,223,967
33	Restricted Receipts	149,336
34	Total – Elderly Affairs	18,743,971

1	Grand Total General Revenue	97,273,992
2	Grand Total – Human Services	655,462,770
3	<b>Behavioral Health, Developmental Disabilities, and Hospitals</b>	
4	<i>Central Management</i>	
5	General Revenues	970,823
6	Federal Funds	539,262
7	Total – Central Management	1,510,085
8	<i>Hospital and Community System Support</i>	
9	General Revenues	1,594,280
10	Restricted Receipts	934,379
11	Other Funds	
12	Rhode Island Capital Plan Fund	
13	Medical Center Rehabilitation	1,000,000
14	Community Facilities Fire Code	400,000
15	Other Funds Total	1,400,000
16	Total – Hospital and Community System Support	3,928,659
17	<i>Services for the Developmentally Disabled</i>	
18	General Revenues	111,424,765
19	Federal Funds	112,972,476
20	Restricted Receipts	1,977,450
21	Other Funds	
22	Rhode Island Capital Plan Fund	
23	DD Private Waiver	507,286
24	Regional Center Repair/Rehabilitation	400,000
25	MR Community Facilities/Access to Independence	500,000
26	Other Funds Total	1,407,286
27	Total – Services for the Developmentally Disabled	227,781,977
28	<i>Behavioral Healthcare Services</i>	
29	General Revenues	37,606,243
30	Federal Funds	51,267,483
31	Restricted Receipts	125,000
32	Other Funds	
33	Rhode Island Capital Plan Fund	
34	MH Community Facilities Repair	400,000

1	MH Housing Development-Thresholds	800,000
2	Substance Abuse Asset Production	100,000
3	Other Funds Total	1,300,000
4	Total – Behavioral Healthcare Services	90,298,726
5	<i>Hospital and Community Rehabilitative Services</i>	
6	General Revenues	50,195,257
7	Federal Funds	50,415,072
8	Restricted Receipts	6,571,834
9	Other Funds	
10	Rhode Island Capital Plan Fund	
11	Zambarano Buildings and Utilities	150,000
12	Hospital Consolidation	9,950,000
13	BHDDH Administrative Buildings	2,000,000
14	MR Community Facilities	950,000
15	Hospital Equipment	275,000
16	Other Funds Total	13,325,000
17	Total - Hospital and Community Rehabilitative Services	120,507,163
18	Grand Total – General Revenue	201,791,368
19	Grand Total – Behavioral Health, Developmental Disabilities,	
20	and Hospitals	444,026,610
21	<b>Office of the Child Advocate</b>	
22	General Revenues	611,817
23	Federal Funds	50,000
24	Grand Total – Office of the Child Advocate	661,817
25	<b>Commission on the Deaf and Hard of Hearing</b>	
26	General Revenues	394,279
27	Restricted Receipts	80,000
28	Grand Total – Com on Deaf and Hard of Hearing	474,279
29	<b>Governor's Commission on Disabilities</b>	
30	General Revenues	358,275
31	Federal Funds	141,350
32	Restricted Receipts	9,177
33	Other Funds	
34	Rhode Island Capital Plan Fund	

1	Handicapped Accessibility	1,000,000
2	Other Funds Total	1,000,000
3	Grand Total – Governor's Commission on Disabilities	1,508,802
4	<b>Office of the Mental Health Advocate</b>	
5	General Revenues	495,010
6	Grand Total – Office of the Mental Health Advocate	495,010
7	<b>Elementary and Secondary Education</b>	
8	<i>Administration of the Comprehensive Education Strategy</i>	
9	General Revenues	19,968,574
10	Federal Funds	
11	Federal Funds	192,750,465
12	Federal Funds – Stimulus	7,727,747
13	RTTT LEA Share	6,379,521
14	Federal Funds Total	206,857,733
15	Restricted Receipts	
16	Restricted Receipts	1,269,741
17	HRIC Adult Education Grants	3,800,000
18	Restricted Receipts Total	5,069,741
19	Other Funds	
20	Rhode Island Capital Plan Fund	
21	State-Owned Cranston	400,000
22	State-Owned Warwick	950,000
23	State-Owned Woonsocket	1,844,364
24	Other Funds Total	3,194,364
25	Total – Administration of the Comprehensive Education Strategy	235,090,412
26	<i>Davies Career and Technical School</i>	
27	General Revenues	12,227,793
28	Federal Funds	
29	Federal Funds	1,319,532
30	Federal Funds – Stimulus	42,099
31	Federal Funds Total	1,361,631
32	Restricted Receipts	4,050,538
33	Other Funds	
34	Rhode Island Capital Plan Fund	

1	Davies HVAC	1,237,345
2	Davies Asset Protection	194,962
3	Other Funds Total	1,432,307
4	Total – Davies Career and Technical School	19,072,269
5	<i>RI School for the Deaf</i>	
6	General Revenues	5,929,824
7	Federal Funds	
8	Federal Funds	221,056
9	Federal Funds – Stimulus	55,514
10	Federal Funds Total	276,570
11	Restricted Receipts	558,248
12	Other Funds	59,000
13	Total – RI School for the Deaf	6,823,642
14	Metropolitan Career and Technical School	
15	General Revenues	10,536,607
16	Other Funds	
17	Rhode Island Capital Plan Fund	
18	MET Asset Protection	100,000
19	MET School HVAC	1,160,657
20	Other Funds Total	1,260,657
21	Total – Metropolitan Career and Technical School	11,797,264
22	<i>Education Aid</i>	
23	General Revenues	61,917,693
24	Restricted Receipts	17,575,445
25	Other Funds	
26	Permanent School Fund – Education Aid	300,000
27	Other Funds Total	300,000
28	Total – Education Aid	779,793,138
29	<i>Central Falls School District</i>	
30	General Revenues	38,845,852
31	Total – Central Falls School District	38,845,852
32	<i>Housing Aid</i>	
33	General Revenues	67,949,504
34	Total – Housing Aid	67,949,504

1	<i>Teachers' Retirement</i>	
2	General Revenues	89,829,396
3	Total – Teachers' Retirement	89,829,396
4	Grand Total – General Revenue	1,007,205,243
5	Grand Total – Elementary and Secondary Education	1,249,201,477
6	<b>Public Higher Education</b>	
7	<i>Office of Postsecondary Commissioner</i>	
8	General Revenues	5,054,495
9	Federal Funds	5,092,287
10	Total – Office of Postsecondary Commissioner	10,146,782
11	<i>University of Rhode Island</i>	
12	General Revenue	
13	General Revenues	69,542,680
14	The University of Rhode Island shall maintain tuition charges in the 2014 – 2015	
15	academic year at the same level as the 2013 – 2014 academic year. The University shall not	
16	decrease internal student financial aid in the 2014 – 2015 academic year below the level of the	
17	2013 – 2014 academic year. The President of the institution shall report, prior to the	
18	commencement of the 2014-2015 academic year, to the chair of the Rhode Island Board of	
19	Education that such tuition charges and student aid levels have been achieved at the start of FY	
20	2015 as prescribed above.	
21	Debt Service	20,925,420
22	RI State Forensics Laboratory	1,035,888
23	General Revenue Total	91,503,988
24	Other Funds	
25	University and College Funds	612,113,492
26	Debt – Dining Services	1,110,746
27	Debt – Education and General	3,180,567
28	Debt – Health Services	136,814
29	Debt – Housing Loan Funds	10,625,414
30	Debt – Memorial Union	314,538
31	Debt – Ryan Center	2,798,531
32	Debt – Alton Jones Services	103,078
33	Debt – Parking Authority	949,029
34	Debt – Sponsored Research	94,572

1	Debt – URI Energy Conservation	2,460,718
2	Rhode Island Capital Plan Fund	
3	Asset Protection	7,520,000
4	Fire and Safety Protection	3,250,000
5	Nursing Education Center	700,000
6	New Chemistry Building	21,300
7	Other Funds Total	645,378,799
8	Total – University of Rhode Island	736,882,787
9	Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or	
10	unencumbered balances as of June 30, 2015 relating to the University of Rhode Island are hereby	
11	reappropriated to fiscal year 2016.	
12	<i>Rhode Island College</i>	
13	General Revenues	
14	General Revenues	42,911,103
15	Rhode Island College shall maintain tuition charges in the 2014 – 2015 academic year at	
16	the same level as the 2013 – 2014 academic year. The College shall not decrease internal student	
17	financial aid in the 2014 – 2015 academic year below the level of the 2013 – 2014 academic year.	
18	The President of the institution shall report, prior to the commencement of the 2014-2015	
19	academic year, to the chair of the Rhode Island Board of Education that such tuition charges and	
20	student aid levels have been achieved at the start of FY 2015 as prescribed above.	
21	Debt Service	4,260,122
22	General Revenue Total	47,171,225
23	Other Funds	
24	University and College Funds	112,190,914
25	Debt – Education and General	883,664
26	Debt – Housing	2,054,108
27	Debt – Student Center and Dining	172,600
28	Debt – Student Union	234,963
29	Debt – G.O. Debt Service	1,641,626
30	Rhode Island Capital Plan Fund	
31	Asset Protection	2,963,548
32	Infrastructure Modernization	2,000,000
33	Other Funds – Total	122,141,423
34	Total – Rhode Island College	169,312,648



1	General Revenue Total	2,340,158
2	Federal Funds	799,348
3	Other Funds	
4	Art for Public Facilities	632,536
5	Other Funds Total	632,536
6	Grand Total – RI State Council on the Arts	3,772,042
7	<b>RI Atomic Energy Commission</b>	
8	General Revenues	913,197
9	Other Funds	
10	URI Sponsored Research	257,977
11	Rhode Island Capital Plan Funds	
12	RINSC Asset Protection	100,000
13	Other Funds Total	357,977
14	Grand Total – RI Atomic Energy Commission	1,271,174
15	<b>RI Higher Education Assistance Authority</b>	
16	General Revenues	
17	Needs Based Grants and Work Opportunities	4,134,726
18	Authority Operations and Other Grants	147,000
19	General Revenue Total	4,281,726
20	Federal Funds	
21	Federal Funds	11,180,967
22	WaytogoRI Portal	650,000
23	Guaranty Agency Reserve Fund	1,500,000
24	Federal Funds Total	13,330,967
25	The \$1.5 million expended from the Guaranty Agency Reserve Fund shall be used for RIHEAA	
26	scholarships and grants to offset the reduction in Needs Based Grants and Work Opportunities in	
27	the Tuition Savings Program.	
28	Other Funds	
29	Tuition Savings Prgm – Needs Based Grants and Work Opp	6,500,000
30	Tuition Savings Program – Administration	334,268
31	Other Funds Total	6,834,268
32	Grand Total – RI Higher Education Assistance Authority	24,446,961
33	<b>RI Historical Preservation and Heritage Commission</b>	
34	General Revenues	1,280,610

1	Federal Funds	2,183,588
2	Restricted Receipts	434,910
3	Other Funds	
4	RIDOT Project Review	70,868
5	Rhode Island Capital Fund	
6	Eisenhower House Asset Protection	1,132,851
7	Other Funds Total	1,203,719
8	Grand Total – RI Historical Preservation and Heritage Comm	5,102,827
9	<b>Attorney General</b>	
10	<i>Criminal</i>	
11	General Revenues	14,455,192
12	Federal Funds	1,366,309
13	Restricted Receipts	10,332,721
14	Total – Criminal	26,154,222
15	<i>Civil</i>	
16	General Revenues	4,816,217
17	Restricted Receipts	917,187
18	Total – Civil	5,733,404
19	<i>Bureau of Criminal Identification</i>	
20	General Revenues	1,542,124
21	Total – Bureau of Criminal Identification	1,542,124
22	<i>General</i>	
23	General Revenues	2,773,613
24	Other Funds	
25	Rhode Island Capital Plan Fund	
26	Building Renovations and Repairs	300,000
27	Other Funds Total	300,000
28	Total – General	3,073,613
29	Grand Total – General Revenue	23,587,146
30	Grand Total – Attorney General	36,503,363
31	<b>Corrections</b>	
32	<i>Central Management</i>	
33	General Revenues	9,070,974
34	Federal Funds	117,996

1	Total – Central Management	9,188,970
2	<i>Parole Board</i>	
3	General Revenues	1,421,102
4	Federal Funds	38,000
5	Total – Parole Board	1,459,102
6	<i>Custody and Security</i>	
7	General Revenues	118,747,911
8	Federal Funds	810,713
9	Total – Custody and Security	119,558,624
10	<i>Institutional Support</i>	
11	General Revenues	15,726,066
12	Other Funds	
13	Rhode Island Capital Plan Fund	
14	Asset Protection	3,750,000
15	Maximum – General Renovations	715,433
16	General Renovations Women's	850,000
17	Bernadette Guay Roof	896,556
18	ISC Exterior Envelope and HVAC	3,933,749
19	Minimum Security Kitchen Expansion	4,160,392
20	Medium Infrastructure	4,833,931
21	Other Funds Total	19,140,061
22	Total – Institutional Support	34,866,127
23	<i>Institutional Based Rehab./Population Management</i>	
24	General Revenues	8,972,305
25	Federal Funds	619,476
26	Restricted Receipts	29,164
27	Total – Institutional Based Rehab/Population Mgt.	9,620,945
28	<i>Healthcare Services</i>	
29	General Revenues	19,751,408
30	Total – Healthcare Services	19,751,408
31	<i>Community Corrections</i>	
32	General Revenues	15,035,529
33	Federal Funds	68,518
34	Restricted Receipts	25,475

1	Total – Community Corrections	15,129,522
2	Grand Total – General Revenue	188,725,295
3	Grand Total – Corrections	209,574,698
4	<b>Judiciary</b>	
5	<i>Supreme Court</i>	
6	General Revenues	
7	General Revenues	26,400,642
8	Defense of Indigents	3,542,240
9	General Revenue Total	29,942,882
10	Federal Funds	151,954
11	Restricted Receipts	2,285,781
12	Other Funds	
13	Rhode Island Capital Plan Fund	
14	Judicial HVAC	525,000
15	Judicial Complexes Asset Protection	825,000
16	Other Funds Total	1,350,000
17	Total - Supreme Court	33,730,617
18	<i>Judicial Tenure and Discipline</i>	
19	General Revenues	115,513
20	Total – Judicial Tenure and Discipline	115,513
21	<i>Superior Court</i>	
22	General Revenues	22,359,027
23	Federal Funds	47,552
24	Restricted Receipts	302,378
25	Total – Superior Court	22,708,957
26	<i>Family Court</i>	
27	General Revenues	19,245,592
28	Federal Funds	1,709,741
29	Total – Family Court	20,955,333
30	<i>District Court</i>	
31	General Revenues	11,998,535
32	Restricted Receipts	292,802
33	Total – District Court	12,291,337
34	<i>Traffic Tribunal</i>	

1	General Revenues	8,760,119
2	Total – Traffic Tribunal	8,760,119
3	<i>Workers' Compensation Court</i>	
4	Restricted Receipts	7,932,640
5	Total – Workers' Compensation Court	7,932,640
6	Grand Total – General Revenue	92,421,668
7	Grand Total – Judiciary	106,494,516
8	<b>Military Staff</b>	
9	General Revenues	1,842,096
10	Federal Funds	14,779,178
11	Restricted Receipts	442,800
12	Other Funds	
13	Rhode Island Capital Plan Fund	
14	Armory of Mounted Command Roof Replacement	300,000
15	State Armories Fire Code Compliance	10,000
16	Asset Protection	1,260,000
17	Logistics/Maintenance Facilities Fire Code Comp.	5,000
18	Benefit Street Arsenal Rehabilitation	375,000
19	Other Funds Total	1,950,000
20	Grand Total – Military Staff	19,014,074
21	<b>Public Safety</b>	
22	<i>Central Management</i>	
23	General Revenues	1,248,886
24	Federal Funds	4,096,105
25	Restricted Receipts	20,000
26	Total – Central Management	5,364,991
27	<i>E-911 Emergency Telephone System</i>	
28	General Revenues	5,428,479
29	Total – E-911 Emergency Telephone System	5,428,479
30	<i>State Fire Marshal</i>	
31	General Revenues	2,746,455
32	Federal Funds	94,000
33	Restricted Receipts	498,854
34	Other Funds	

1	Rhode Island Capital Plan Fund	
2	Fire Academy	1,934,500
3	Quonset Development Corporation	57,335
4	Other Funds – Total	1,991,835
5	Total – State Fire Marshal	5,331,144
6	<i>Security Services</i>	
7	General Revenues	21,801,650
8	Total – Security Services	21,801,650
9	<i>Municipal Police Training Academy</i>	
10	General Revenues	245,379
11	Federal Funds	397,400
12	Total – Municipal Police Training Academy	642,779
13	<i>State Police</i>	
14	General Revenues	64,496,985
15	Federal Funds	2,306,770
16	Restricted Receipts	12,345,000
17	Other Funds	
18	Rhode Island Capital Plan Fund	
19	Barracks and Training	4,627,659
20	Headquarters Repairs/Rehabilitation	380,768
21	Parking Area Improvements 250,000	
22	HQ Expansion	200,000
23	Traffic Enforcement – Municipal Training	134,500
24	Lottery Commission Assistance	1,399,683
25	Airport Corporation	176,206
26	Road Construction Reimbursement	2,935,000
27	Other Funds Total	10,103,816
28	Total – State Police	89,252,571
29	Grand Total – General Revenue	95,967,834
30	Grand Total – Public Safety	127,821,614
31	<b>Office of Public Defender</b>	
32	General Revenues	11,130,816
33	Federal Funds	248,864
34	Grand Total – Office of Public Defender	11,379,680

1	<b>Emergency Management</b>	
2	General Revenues	1,959,858
3	Federal Funds	18,273,640
4	Restricted Receipts	221,729
5	Other Funds	
6	Rhode Island Capital Plan Fund	
7	Hurricane Sandy Cleanup	167,000
8	Other Funds Total	167,000
9	Grand Total – Emergency Management	20,622,227
10	<b>Environmental Management</b>	
11	<i>Office of the Director</i>	
12	General Revenues	
13	General Revenues	4,520,153
14	Permit Streamlining	33,414
15	General Revenue Total	4,553,567
16	Federal Funds	150,000
17	Restricted Receipts	2,884,372
18	Other Funds	
19	Rhode Island Capital Plan Fund	
20	DEM Telephone Repairs	175,000
21	Other Funds Total	175,000
22	Total – Office of the Director	7,762,939
23	<i>Natural Resources</i>	
24	General Revenues	19,074,615
25	Federal Funds	21,348,128
26	Restricted Receipts	4,138,036
27	Other Funds	
28	DOT Recreational Projects	1,114,278
29	Blackstone Bikepath Design	2,059,795
30	Transportation MOU	78,579
31	Rhode Island Capital Plan Fund	
32	Dam Repair	550,000
33	Fort Adams Rehabilitation	300,000
34	Fort Adams America's Cup	2,450,000

1	Recreational Facilities Improvements	400,000
2	Galilee Piers Upgrade	500,000
3	Newport Piers	250,000
4	World War II Facility	2,600,000
5	Blackstone Valley Bike Path	350,000
6	Natural Resources Office/Visitor's Center	2,250,100
7	Other Funds Total	12,902,752
8	Total – Natural Resources	57,463,531
9	<i>Environmental Protection</i>	
10	General Revenues	11,241,923
11	Federal Funds	10,281,483
12	Restricted Receipts	8,912,581
13	Other Funds	
14	Transportation MOU	165,000
15	Other Funds Total	165,000
16	Total – Environmental Protection	30,600,987
17	Grand Total – General Revenue	34,870,105
18	Grand Total – Environmental Management	95,827,457
19	<b>Coastal Resources Management Council</b>	
20	General Revenues	2,185,538
21	Federal Funds	1,802,613
22	Restricted Receipts	250,000
23	Grand Total – Coastal Resources Mgmt. Council	4,238,151
24	<b>Transportation</b>	
25	<i>Central Management</i>	
26	Federal Funds	9,199,986
27	Other Funds	
28	Gasoline Tax	1,770,720
29	Other Funds Total	1,770,720
30	Total – Central Management	10,970,706
31	<i>Management and Budget</i>	
32	Other Funds	
33	Gasoline Tax	2,242,961
34	Other Funds Total	2,242,961

1	Total – Management and Budget	2,242,961
2	<i>Infrastructure Engineering - GARVEE/Motor Fuel Tax Bonds</i>	
3	Federal Funds	
4	Federal Funds	325,726,490
5	Federal Funds – Stimulus	17,188,279
6	Federal Funds Total	342,914,769
7	Restricted Receipts	12,352,761
8	Other Funds	
9	Gasoline Tax	53,013,645
10	Land Sale Revenue	21,300,002
11	Rhode Island Capital Fund	
12	RIPTA Land and Buildings	223,529
13	Highway Improvement Program	21,650,000
14	Other Funds Total	96,187,176
15	Total - Infrastructure Engineering – GARVEE	451,454,706
16	<i>Infrastructure Maintenance</i>	
17	Other Funds	
18	Gasoline Tax	44,849,009
19	Non-Land Surplus Property	10,000
20	Outdoor Advertising	150,000
21	Rhode Island Capital Plan Fund	
22	Maintenance Facilities Improvements	400,000
23	Salt Storage Facilities	1,500,000
24	Portsmouth Facility	1,200,000
25	Maintenance - Capital Equipment Replacement	2,500,000
26	Train Station Maintenance and Repairs	200,000
27	Cooperative Maintenance Facility DOT/RIPTA	3,500,000
28	Mass Transit Preliminary Conceptual Design	250,000
29	Other Funds Total	54,559,009
30	Total – Infrastructure Maintenance	54,559,009
31	Grand Total – Transportation	519,227,382
32	<b>Statewide Totals</b>	
33	General Revenues	3,456,087,970
34	Federal Funds	2,878,350,086

1	Restricted Receipts	258,886,990
2	Other Funds	1,950,636,957
3	Statewide Grand Total	8,543,962,003

4 SECTION 2. Each line appearing in Section 1 of this Article shall constitute an  
5 appropriation.

6 SECTION 3. Upon the transfer of any function of a department or agency to another  
7 department or agency, the Governor is hereby authorized by means of executive order to transfer  
8 or reallocate, in whole or in part, the appropriations and the full-time equivalent limits affected  
9 thereby.

10 SECTION 4. From the appropriation for contingency shall be paid such sums as may be  
11 required at the discretion of the Governor to fund expenditures for which appropriations may not  
12 exist. Such contingency funds may also be used for expenditures in the several departments and  
13 agencies where appropriations are insufficient, or where such requirements are due to unforeseen  
14 conditions or are non-recurring items of an unusual nature. Said appropriations may also be used  
15 for the payment of bills incurred due to emergencies or to any offense against public peace and  
16 property, in accordance with the provisions of Titles 11 and 45 of the General Laws of 1956, as  
17 amended. All expenditures and transfers from this account shall be approved by the Governor.

18 SECTION 5. The general assembly authorizes the state controller to establish the internal  
19 service accounts shown below, and no other, to finance and account for the operations of state  
20 agencies that provide services to other agencies, institutions and other governmental units on a  
21 cost reimbursed basis. The purpose of these accounts is to ensure that certain activities are  
22 managed in a businesslike manner, promote efficient use of services by making agencies pay the  
23 full costs associated with providing the services, and allocate the costs of central administrative  
24 services across all fund types, so that federal and other non-general fund programs share in the  
25 costs of general government support. The controller is authorized to reimburse these accounts for  
26 the cost of work or services performed for any other department or agency subject to the  
27 following expenditure limitations:

28	<b>Account</b>	<b>Expenditure Limit</b>
29	State Assessed Fringe Benefit Internal Service Fund	37,123,794
30	Administration Central Utilities Internal Service Fund	14,244,902
31	State Central Mail Internal Service Fund	5,617,173
32	State Telecommunications Internal Service Fund	4,080,029
33	State Automotive Fleet Internal Service Fund	13,733,063
34	Surplus Property Internal Service Fund	2,500

1	Health Insurance Internal Service Fund	250,127,757
2	Other Post-Employment Benefits Fund	63,934,483
3	Capital Police Internal Service Fund	1,060,301
4	Corrections Central Distribution Center Internal Service Fund	6,739,558
5	Correctional Industries Internal Service Fund	7,704,793
6	Secretary of State Record Center Internal Service Fund	882,436

7           SECTION 6. The General Assembly may provide a written "statement of legislative  
8 intent" signed by the chairperson of the House Finance Committee and by the chairperson of the  
9 Senate Finance Committee to show the intended purpose of the appropriations contained in  
10 Section 1 of this Article. The statement of legislative intent shall be kept on file in the House  
11 Finance Committee and in the Senate Finance Committee.

12           At least twenty (20) days prior to the issuance of a grant or the release of funds, which  
13 grant or funds are listed on the legislative letter of intent, all department, agency and corporation  
14 directors, shall notify in writing the chairperson of the House Finance Committee and the  
15 chairperson of the Senate Finance Committee of the approximate date when the funds are to be  
16 released or granted.

17           SECTION 7. *Appropriation of Temporary Disability Insurance Funds* -- There is hereby  
18 appropriated pursuant to sections 28-39-5 and 28-39-8 of the Rhode Island General Laws all  
19 funds required to be disbursed for the benefit payments from the Temporary Disability Insurance  
20 Fund and Temporary Disability Insurance Reserve Fund for the fiscal year ending June 30, 2015.

21           SECTION 8. *Appropriation of Employment Security Funds* -- There is hereby  
22 appropriated pursuant to section 28-42-19 of the Rhode Island General Laws all funds required to  
23 be disbursed for benefit payments from the Employment Security Fund for the fiscal year ending  
24 June 30, 2015.

25           SECTION 9. *Appropriation of Lottery Division Funds* – There is hereby appropriated to  
26 the Lottery Division any funds required to be disbursed by the Lottery Division for the purposes  
27 of paying commissions or transfers to the prize fund for the fiscal year ending June 30, 2015.

28           SECTION 10. Departments and agencies listed below may not exceed the number of full-  
29 time equivalent (FTE) positions shown below in any pay period. Full-time equivalent positions do  
30 not include seasonal or intermittent positions whose scheduled period of employment does not  
31 exceed twenty-six consecutive weeks or whose scheduled hours do not exceed nine hundred and  
32 twenty-five (925) hours, excluding overtime, in a one-year period. Nor do they include  
33 individuals engaged in training, the completion of which is a prerequisite of employment.  
34 Provided, however, that the Governor or designee, Speaker of the House of Representatives or

1 designee, and the President of the Senate or designee may authorize an adjustment to any  
 2 limitation. Prior to the authorization, the State Budget Officer shall make a detailed written  
 3 recommendation to the Governor, the Speaker of the House, and the President of the Senate. A  
 4 copy of the recommendation and authorization to adjust shall be transmitted to the chairman of  
 5 the House Finance Committee, Senate Finance Committee, the House Fiscal Advisor and the  
 6 Senate Fiscal Advisor.

7 State employees whose funding is from non-state general revenue funds that are time  
 8 limited shall receive limited term appointment with the term limited to the availability of non-  
 9 state general revenue funding source.

10 FY 2015 FTE POSITION AUTHORIZATION

11 <b>Departments and Agencies</b>	<b>Full-Time Equivalent</b>
12 Administration	723.7
13 Business Regulation	94.0
14 Labor and Training	410.0
15 Revenue	499.0
16 Legislature	298.5
17 Office of the Lieutenant Governor	8.0
18 Office of the Secretary of State	57.0
19 Office of the General Treasurer	83.0
20 Board of Elections	11.0
21 Rhode Island Ethics Commission	12.0
22 Office of the Governor	45.0
23 Commission for Human Rights	14.5
24 Public Utilities Commission	50.0
25 Office of Health and Human Services	184.0
26 Children, Youth, and Families	670.5
27 Health	491.3
28 Human Services	959.1
29 Behavioral Health, Developmental Disabilities, and Hospitals	1,422.4
30 Office of the Child Advocate	6.0
31 Commission on the Deaf and Hard of Hearing	3.0
32 Governor's Commission on Disabilities	4.0
33 Office of the Mental Health Advocate	3.7
34 Elementary and Secondary Education	154.9

1	School for the Deaf	60.0
2	Davies Career and Technical School	126.0
3	Office of Postsecondary Commissioner	12.8
4	Provided that 1.0 of the total authorization would be available only for positions that are	
5	supported by third-party funds.	
6	University of Rhode Island	2,456.50
7	Provided that 501.2 of the total authorization would be available only for positions that are	
8	supported by third-party funds.	
9	Rhode Island College	923.6
10	Provided that 82.0 of the total authorization would be available only for positions that are	
11	supported by third-party funds.	
12	Community College of Rhode Island	854.1
13	Provided that 58.7 of the total authorization would be available only for positions that are	
14	supported by third-party funds.	
15	Rhode Island State Council on the Arts	6.0
16	RI Atomic Energy Commission	8.6
17	Higher Education Assistance Authority	25.0
18	Historical Preservation and Heritage Commission	16.6
19	Office of the Attorney General	233.1
20	Corrections	1,419.0
21	Judicial	726.3
22	Military Staff	85.0
23	Public Safety	634.2
24	Office of the Public Defender	93.0
25	Emergency Management	32.0
26	Environmental Management	399.0
27	Coastal Resources Management Council	29.0
28	Transportation	752.6
29	<b>Total</b>	<b>15,097.0</b>

30 SECTION 11. The amounts reflected in this Article include the appropriation of Rhode  
31 Island Capital Plan funds for fiscal year 2015 and supersede appropriations provided for FY 2015  
32 within Section 11 of Article 1 of Chapter 144 of the P.L. of 2013.

33 The following amounts are hereby appropriated out of any money in the State's Rhode  
34 Island Capital Plan Fund not otherwise appropriated to be expended during the fiscal years ending

1 June 30, 2016, June 30, 2017, and June 30, 2018. These amounts supersede appropriations  
 2 provided within Section 11 of Article 1 of Chapter 144 of the P.L. of 2013. For the purposes and  
 3 functions hereinafter mentioned, the State Controller is hereby authorized and directed to draw  
 4 his or her orders upon the General Treasurer for the payment of such sums and such portions  
 5 thereof as may be required by him or her upon receipt of properly authenticated vouchers.

	<u>FY Ending</u>	<u>FY Ending</u>	<u>FY Ending</u>
	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>
8 <u>Project</u>			
9 BHDDH-Hospital Consolidation	30,645,820	10,590,850	5,780,000
10 DOA-State House Renovations	3,000,000	4,000,000	2,400,000
11 DOA-Pastore Center Building Demotion	1,025,000	975,000	1,200,000
12 Higher Ed-Asset Protection-CCRI	2,184,100	2,232,100	2,299,063
13 Higher Ed-Asset Protection-RIC	3,080,400	3,357,700	3,458,431
14 Higher Ed-Asset Protection-URI	5,482,900	7,856,000	8,030,000
15 DOC Asset Protection	4,020,000	3,000,000	3,000,000
16 Judicial-Asset Protection	850,000	875,000	950,000
17 Mil Staff-Asset Protection	1,225,000	179,250	342,500
18 DEM-Dam Repairs	750,000	1,000,000	2,000,000
19 DEM-Recreation Facility Improvements	500,000	500,000	500,000
20 DOT-Highway Improvement Program	23,200,000	23,200,000	23,200,000

21 SECTION 12. Reappropriation of Funding for Rhode Island Capital Plan Fund Projects.  
 22 – Any unexpended and unencumbered funds from Rhode Island Capital Plan Fund project  
 23 appropriations may be reappropriated at the recommendation of the Governor in the ensuing  
 24 fiscal year and made available for the same purpose. However, any such reappropriations are  
 25 subject to final approval by the General Assembly as part of the supplemental appropriations act.  
 26 Any unexpended funds of less than five hundred dollars (\$500) shall be reappropriated at the  
 27 discretion of the State Budget Officer.

28 SECTION 13. For the Fiscal Year ending June 30, 2015, the Rhode Island Housing and  
 29 Mortgage Finance Corporation shall provide from its resources such sums as appropriate in  
 30 support of the Neighborhood Opportunities Program. The Corporation shall provide a report  
 31 detailing the amount of funding provided to this program, as well as information on the number  
 32 of units of housing provided as a result to the Director of Administration, the Chair of the  
 33 Housing Resources Commission, the Chair of the House Finance Committee, the Chair of the  
 34 Senate Finance Committee and the State Budget Officer.

1 SECTION 14. This article shall take effect as of July 1, 2014.

2 **ARTICLE 2**

3 RELATING TO MUNICIPAL AID

4 SECTION 1. Section 45-13.2-4 of the General Laws in Chapter 45-13.2 entitled  
5 "Municipal Incentive Aid" is hereby amended to read as follows:

6 **45-13.2-4. State Aid Incentive Program appropriated.** – There are hereby appropriated  
7 funds for a state aid program entitled "Municipal Incentive Aid Program." For fiscal year 2014,  
8 [fiscal year 2015 and fiscal year 2016](#), the amount of five million dollars (\$5,000,000) shall be  
9 appropriated, ~~and an amount of ten million dollars (\$10,000,000) will be requested for~~  
10 ~~appropriation for fiscal year 2015 and for fiscal year 2016~~. Municipal Incentive Aid shall be  
11 administered and managed by the division of municipal finance within the department of revenue.

12 SECTION 2. This article shall take effect as of July 1, 2014.

13 **ARTICLE 3**

14 RELATING TO RESTRICTED RECEIPT ACCOUNTS

15 SECTION 1. Section 35-4-27 of the General Laws in Chapter 35-4 entitled "State Funds"  
16 is hereby amended to read as follows:

17 **35-4-27. Indirect cost recoveries on restricted receipt accounts.** – Indirect cost  
18 recoveries of ten percent (10%) of cash receipts shall be transferred from all restricted receipt  
19 accounts, to be recorded as general revenues in the general fund. However, there shall be no  
20 transfer from cash receipts with restrictions received exclusively: (1) from contributions from  
21 non-profit charitable organizations; (2) from the assessment of indirect cost recovery rates on  
22 federal grant funds; or (3) through transfers from state agencies to the department of  
23 administration for the payment of debt service. These indirect cost recoveries shall be applied to  
24 all accounts, unless prohibited by federal law or regulation, court order, or court settlement. The  
25 following restricted receipt accounts shall not be subject to the provisions of this section:

26 [Executive Office of Health and Human Services](#)

27 [Organ Transplant Fund](#)

28 [HIV Care Grant Drug Rebates](#)

29 Department of Human Services

30 Veterans' home – Restricted account

31 Veterans' home – Resident benefits

32 Pharmaceutical Rebates Account

33 Demand Side Management Grants

34 ~~Organ transplant fund~~

1 Veteran's Cemetery Memorial Fund  
2 [Donations- New Veterans' Home Construction](#)  
3 Department of Health  
4 Providence Water Lead Grant  
5 Pandemic medications and equipment account  
6 Department of Behavioral Healthcare, Developmental Disabilities and Hospitals  
7 Eleanor Slater non-Medicaid third-party payor account  
8 Hospital Medicare Part D Receipts  
9 RICLAS Group Home Operations  
10 Commission on the Deaf and Hard of Hearing  
11 Emergency and public communication access account  
12 Department of Environmental Management  
13 National heritage revolving fund  
14 Environmental response fund II  
15 Underground storage tanks registration fees  
16 Rhode Island Historical Preservation and Heritage Commission  
17 Historic preservation revolving loan fund  
18 Historic Preservation loan fund – Interest revenue  
19 Department of Public Safety  
20 Forfeited property – Retained  
21 Forfeitures – Federal  
22 Forfeited property – Gambling  
23 Donation – Polygraph and Law Enforcement Training  
24 Rhode Island State Firefighter's League Training Account  
25 Fire Academy Training Fees Account  
26 Attorney General  
27 Forfeiture of property  
28 Federal forfeitures  
29 Attorney General multi-state account  
30 Forfeited property – Gambling  
31 Department of Administration  
32 Office of Management and Budget  
33 Information Technology Investment Fund  
34 Restore and replacement – Insurance coverage

1 Convention Center Authority rental payments  
2 Investment Receipts – TANS  
3 Car Rental Tax/Surcharge-Warwick Share  
4 Legislature  
5 Audit of federal assisted programs  
6 Department of Children, Youth and Families  
7 Children's Trust Accounts – SSI  
8 Military Staff  
9 RI Military Family Relief Fund  
10 RI National Guard Counterdrug Program  
11 Treasury  
12 Admin. Expenses – State Retirement System  
13 Retirement – Treasury Investment Options  
14 Violent Crimes Compensation – Refunds  
15 Treasury Research Fellowship  
16 Business Regulation  
17 Banking Division Reimbursement Account  
18 Office of the Health Insurance Commissioner Reimbursement Account  
19 Securities Division Reimbursement Account  
20 Commercial Licensing and Racing and Athletics Division Reimbursement Account  
21 Insurance Division Reimbursement Account  
22 Historic Preservation Tax Credit Account  
23 Judiciary  
24 Arbitration Fund Restricted Receipt Account  
25 Third Party Grants  
26 Department of Elementary and Secondary Education  
27 Statewide Student Transportation Services Account  
28 School for the Deaf Fee for Service Account  
29 Davies Career and Technical School Local Education Aid Account  
30 Department of Labor and Training  
31 Job Development Fund – Title XII loans principal and interest  
32 Department of Transportation  
33 Rhode Island Highway Maintenance Account  
34 SECTION 2. Section 30-24-6 of the General Laws in Chapter 30-24 entitled "Rhode

1 Island Veterans' Home" is hereby amended to read as follows:

2 **30-24-6. Acceptance of gifts – Veterans' home restricted account.** – (a) The director of  
3 human services is hereby authorized and empowered to take and receive in the name of the state  
4 any grant, devise, gift, or bequest of real or personal property that may be made for the use and  
5 benefit of the Rhode Island veterans' home or the residents or purposes thereof. All money so  
6 received, and all money received under the provisions of §§ 30-24-9 and 30-24-10, shall be paid  
7 over to the general treasurer and shall be kept by him or her as a restricted account to be known as  
8 the "veterans' home restricted account". Use of the "veterans' home restricted account" funds may  
9 only be made upon prior approval of the house of representatives' finance committee and senate  
10 finance committee. The director may sell and dispose of any real or personal property received  
11 under this section, and any property received under § 30-24-9, and the proceeds of the sale shall  
12 be paid over to the general treasurer to be made a part of the restricted account. The restricted  
13 account shall be used for the improvement of social, recreational, and educational programs,  
14 including the purchase of educational and recreational supplies and equipment for the welfare of  
15 members and for operational expenses and capital improvements at the veterans' home and  
16 veterans' cemetery, as deemed necessary by the director of human services.

17 (b) [Deleted by P.L. 1999, ch. 11, section 5.]

18 (c) Notwithstanding the provisions of subsection (a) of this section, there is hereby  
19 established a restricted receipt account within the general fund of the state for the sole purpose of  
20 the collection and disbursement of any grant, devise, gift, or bequest of real or personal property  
21 that may be made for the use and benefit of the design, construction, and furnishing of a new  
22 Rhode Island veterans home in Bristol. This account shall be known as "donations- new veterans'  
23 home construction".

24 SECTION 3. This article shall take effect as of January 1, 2014.

#### 25 **ARTICLE 4**

##### 26 RELATING TO DEBT MANAGEMENT ACT JOINT RESOLUTIONS

27 SECTION 1. This article consists of joint resolutions that are submitted pursuant to  
28 Rhode Island General Laws § 35-18-1, et seq.

29 SECTION 2. Information Technology Improvements.

30 WHEREAS, the funds generated from the sale of State Property to be deposited into the  
31 Information Technology Investment Fund will be insufficient to fund system and application  
32 upgrades that are required and anticipated by the State in the immediate future; and

33 WHEREAS, the projects that are required and are not able to be financed through the  
34 Information Technology Investment Fund include, but are not limited to: department of

1 administration budget and grants management and human resources information systems,  
2 emergency notification system upgrades, Rhode Island veterans home – automated pharmacy  
3 services, content management system, department of health electronic birth records, department  
4 of environmental management enterprise permit system and record digitization upgrades, and an  
5 electronic permitting system; and

6 WHEREAS, the Office of Digital Excellence and the Division of Information  
7 Technology within the Department of Administration will review all information technology  
8 requests and will prioritize them based on potential positive impact for consolidation, efficiency,  
9 improvement in customer service, and the need for ongoing technical support; and

10 WHEREAS, the project costs associated with these information technology  
11 improvements are estimated to be \$30.0 million. Total payments on the State's obligation over ten  
12 (10) years on the \$30.0 million issuance are projected to be \$38.9 million, assuming an average  
13 interest rate of 5.0 percent. The payments would be financed within the department of  
14 administration from general revenue appropriations; now, therefore, be it

15 RESOLVED, that this general assembly hereby approves financing in an amount not to  
16 exceed \$30.0 million for the provision of information technology improvements, including \$0.5  
17 million to pay costs of financing; and be it further

18 RESOLVED, that this joint resolution shall take effect immediately upon its passage by  
19 the general assembly.

20 SECTION 3. Virks Building Renovation

21 WHEREAS, the Virks Building at the John O. Pastore Government Center in Cranston is  
22 a vacant, four-story structure of approximately 54,000 square feet and is in need of immediate  
23 repair, including roof, envelope and interior renovations, so that the State can continue to use this  
24 capital asset; and

25 WHEREAS, the Executive Office and Health and Human Services (hereafter "EOHHS")  
26 is in need of office space as program and operations now require larger facilities to successfully  
27 carry out these programs; and

28 WHEREAS, the Executive Office of Health and Human Services will be able to leverage  
29 federal funding available to pay for fifty (50) percent of the lease payments required once the  
30 building has been fully renovated and occupied by EOHHS; and

31 WHEREAS, preliminary architectural and design costs for the renovations to the Virks  
32 Building will be financed with Rhode Island Capital Plan Fund expenditures, which are estimated  
33 to be three hundred thousand dollars (\$300,000) in fiscal year 2014; and

34 WHEREAS, the project costs associated with the full renovation and upgrade to the Virks

1 Building at the John O. Pastore Government Center are estimated to be \$13.0 million and would  
2 begin in fiscal year 2015. Total payments on the State's obligation over fifteen (15) years on the  
3 \$13.0 million issuance are projected to be \$18.8 million, assuming an average interest rate of 5.0  
4 percent. The payments would be financed within the department of administration from general  
5 revenue appropriations and through federal funds available to the Executive Office of Health and  
6 Human Services; now, therefore, be it

7         RESOLVED, that this general assembly hereby approves financing in an amount not to  
8 exceed \$13.0 million for the provision of renovations and upgrades to the Virks Building at the  
9 Pastore Center in Cranston, which will provide additional office space for the Executive Office of  
10 Health and Human Services, including \$0.2 million to pay costs of financing; and be it further

11         RESOLVED, that this joint resolution shall take effect immediately upon its passage by  
12 the general assembly.

13         SECTION 4. Garrahy Courthouse Parking Project.

14         WHEREAS, given the prime geographic location of the Garrahy Courthouse surface  
15 parking lot site and its current limitations to adequately serve the Courthouse and surrounding  
16 buildings; and

17         WHEREAS, given the results of the Garrahy Courthouse Parking Garage Conceptual  
18 Analysis presented to a Special Legislative Commission for the Garrahy Parking Garage in  
19 January, 2014 which identifies development of the current site into a multi-level parking garage  
20 as a way to alleviate parking demand in the area and to spur economic activity; and

21         WHEREAS, the I-195 Redevelopment District Commission ("Commission") has the  
22 principal responsibility for developing the surplus land from the relocation of Interstate 195 ("the  
23 Link"), to promote economic development through the best use of nearby-by freed-up parcels;  
24 and

25         WHEREAS, the Commission has indicated that adequate structured parking is essential  
26 to the development of the Link; and

27         WHEREAS, the State is prepared, on its own, in concert with the Commission, another  
28 quasi-public agency or in a public-private partnership to develop and operate the garage once  
29 constructed; and

30         WHEREAS, the State would enter into a long term financial structure that would provide  
31 initial financial benefits for the State from development of the garage, and include provisions for  
32 long term revenues based on the upside potential of the project; now, therefore, be it

33         RESOLVED, that the State is authorized, if in the best interests of the State and to  
34 effectuate the development of the garage, to sell the surface lot adjacent to the Garrahy

1 Courthouse to a quasi-public agency, to enter into a long-term parking lease for court employees  
2 and other state employees, and to enter into appropriate agreements including financing  
3 arrangements that would permit the development and operation of the garage; and be it further

4       RESOLVED, that the general assembly hereby approves financing in an amount not to  
5 exceed \$45.0 million for the provision of financing for construction of a parking garage at the  
6 current site of the Garrahy surface parking lot providing approximately 1,250 parking spaces and  
7 13,800 square feet of retail space on the ground level; and further

8       RESOLVED, that this Joint Resolution shall take effect immediately upon its passage by  
9 this General Assembly.

10       SECTION 5. Rhode Island Airport Corporation.

11       WHEREAS, the Rhode Island Commerce Corporation is a public instrumentality of the  
12 State of Rhode Island (the "State"), created by the General Assembly pursuant to Rhode Island  
13 General Laws §§ 42-64-1 et seq. (as enacted, reenacted and amended, the "Act"); and

14       WHEREAS, the Act declares, in part, that new industrial, manufacturing, recreational,  
15 and commercial facilities are required to attract and house new industries and thereby reduce the  
16 hazards of unemployment; and that unaided efforts of private enterprises have not met and cannot  
17 meet the needs of providing those facilities due to problems encountered in assembling suitable  
18 building sites, lack of adequate public service, unavailability of private capital for development,  
19 and the inability of private enterprise alone to plan, finance, and coordinate industrial,  
20 recreational, and commercial development; and

21       WHEREAS, the Act further declares it to be the public policy of the state to furnish  
22 proper and adequate airport facilities within the state and to encourage the integration of these  
23 facilities so far as practicable; and

24       WHEREAS, in furtherance of these goals, it is the policy of the state to retain existing  
25 industries and to induce, encourage and attract new industries through the acquisition,  
26 construction, reconstruction and rehabilitation of industrial, manufacturing, recreational, and  
27 commercial facilities, as well as transportation, residential, environmental, utility, public service,  
28 institutional and civic and community facilities, and to develop sites for such facilities; and

29       WHEREAS, the Act has empowered the Rhode Island Commerce Corporation to  
30 establish subsidiary corporations to exercise its powers and functions, or any of them, and,  
31 pursuant to such power, the Rhode Island Commerce Corporation has established the Rhode  
32 Island Airport Corporation to plan, develop, construct, finance, manage, and operate airport  
33 facilities in the state; and

34       WHEREAS, the Act provides that the Rhode Island Airport Corporation shall have the

1 power to purchase, take, receive, lease or otherwise acquire, own, hold, improve, use and  
2 otherwise deal in and with, real or personal property, or any interest therein, wherever situated;  
3 and

4 WHEREAS, the Act also provides that the Rhode Island Airport Corporation shall have  
5 the power to sell, mortgage, lease, exchange, transfer or otherwise dispose of or encumber any  
6 project, (or in the case of a sale, to accept a purchase money mortgage in connection therewith) or  
7 to grant options for any such purposes with respect to any real or personal property or interest  
8 therein, all of the foregoing for such consideration as the Rhode Island Airport Corporation shall  
9 determine. Any lease by the Rhode Island Airport Corporation to another party may be for such  
10 part of the Rhode Island Airport Corporation's property, real or personal, for such period, upon  
11 such terms or conditions, with or without an option on the part of the lessee to purchase any or all  
12 of the leased property for such consideration, at or after the retirement of all indebtedness  
13 incurred by the Rhode Island Airport Corporation on account thereof, as the Rhode Island Airport  
14 Corporation shall determine; and

15 WHEREAS, the Act authorizes the Rhode Island Commerce Corporation to borrow  
16 money and issue bonds for any of its corporate purposes; and

17 WHEREAS, pursuant to Rhode Island General Laws Sections 35-18-3 and 35-18-4, the  
18 Rhode Island Commerce Corporation has requested the approval of the General Assembly of the  
19 Rhode Island Commerce Corporation's issuance of airport revenue bonds (the "Bonds") for the  
20 purpose of providing funds to the Rhode Island Airport Corporation for financing the various  
21 capital projects including by way of example and not limitation runway and taxiway  
22 improvements and facility developments on the premises, the provision of architectural,  
23 engineering, surveying, construction management and other professional services necessary or  
24 appropriate therefore, funding capitalized interest, costs of issuing the Bonds and related costs,  
25 and the establishment of reserves for the project and the Bonds, including a debt service reserve  
26 fund (the "Airport Project"); and

27 WHEREAS, the financing of the Airport Project will be accomplished through one or  
28 more loan agreements having the Rhode Island Airport Corporation as borrower, such agreement  
29 or agreements to require that the Rhode Island Airport Corporation make loan payments in an  
30 amount equal to the debt service on the Bonds.

31 RESOLVED, the General Assembly hereby approves the Rhode Island Commerce  
32 Corporation's issuance of the Bonds (as defined below) and notes in anticipation thereof. The  
33 Bonds will be special obligations of the Rhode Island Commerce Corporation payable exclusively  
34 from loan repayments under a loan agreement with the Rhode Island Airport Corporation and

1 from Bond proceeds, funds, accounts, and properties and the proceeds thereof pledged therefor,  
2 and thus the Rhode Island Commerce Corporation's maximum liability will be limited to loan  
3 repayments received under the loan agreement and the aggregate amount of such other funds,  
4 accounts, properties, and proceeds.

5 RESOLVED, that the total amount of debt approved to be issued in the aggregate shall be  
6 limited to not more than \$60,000,000 (the "Bonds"). Total debt service on the Bonds is not  
7 expected to exceed approximately \$4,600,000 annually and approximately \$135,000,000 in the  
8 aggregate based on anticipated level annual payments, an estimated average interest rate of 6.25%  
9 and a maturity of 30 years.

10 RESOLVED, the General Assembly hereby approves the Rhode Island Airport  
11 Corporation's entering into the loan agreements described above. Payments under the loan  
12 agreements shall be derived exclusively from project revenues and such other proceeds, funds,  
13 accounts, projects and the proceeds thereof as the Rhode Island Airport Corporation may pledge  
14 therefor.

15 RESOLVED, the Bonds or the amounts due under the loan agreements shall not  
16 constitute indebtedness of the State or a debt for which the full faith and credit of the State is  
17 pledged or a moral obligation thereof.

18 RESOLVED, that this resolution shall apply to debt issued within two (2) years of the  
19 date of passage of this resolution.

20 SECTION 6. This article shall take effect upon passage.

21 **ARTICLE 5**

22 **RELATING TO CAPITAL DEVELOPMENT PROGRAM**

23 SECTION 1. Proposition to be submitted to the people. -- At the general election to be  
24 held on the Tuesday next after the first Monday in November 2014, there shall be submitted to  
25 the people for their approval or rejection the following proposition:

26 "Shall the action of the general assembly, by an act passed at the January 2014 session,  
27 authorizing the issuance of bonds, refunding bonds, and temporary notes of the state for the  
28 capital projects and in the amount with respect to each such project listed below be approved, and  
29 the issuance of bonds, refunding bonds, and temporary notes authorized in accordance with the  
30 provisions of said act?"

31 Project

32 (1) Higher Education Facilities \$125,000,000

33 Approval of this question will allow the State of Rhode Island to issue general obligation  
34 bonds, refunding bonds, and temporary notes in an amount not to exceed one hundred twenty-five

1 million dollars (\$125,000,000) to construct a new College of Engineering building and undertake  
2 supporting renovations. The new building will anchor the northwest corner of the Engineering  
3 Quadrangle on the Kingston Campus and provide contemporary and state-of-the-art instructional  
4 and research facilities. As part of this project, outdated engineering buildings will be taken out of  
5 service and razed.

6 (2) Creative and Cultural Economy \$35,000,000

7 Approval of this question will authorize the State of Rhode Island to issue general  
8 obligation bonds, refunding bonds, and temporary notes in an amount not to exceed thirty-five  
9 million dollars (\$35,000,000) to fund capital preservation and renovation projects for public and  
10 nonprofit artistic, performance centers, historic sites, museums and cultural art centers located  
11 throughout the State of Rhode Island. Of the thirty-five million dollars (\$35,000,000) amount,  
12 thirty million dollars (\$30,000,000) will be used to capitalize a new Cultural Arts and the  
13 Economy Grant program to be administered by the Rhode Island Commerce Corporation in  
14 consultation with the Rhode Island State Council on the Arts and five million dollars  
15 (\$5,000,000) will be used to assist cities and towns and non-profit organizations to renovate and  
16 improve public and nonprofit historic sites, museums, and cultural art centers located in historic  
17 structures to be administered by the Rhode Island Historical Preservation and Heritage  
18 Commission.

19 (3) Mass Transit Hub Infrastructure \$40,000,000

20 Approval of this question will allow the State of Rhode Island to issue general obligation  
21 bonds, refunding bonds, and temporary notes in an amount not to exceed forty million dollars  
22 (\$40,000,000) to fund enhancements and renovations to mass transit hub infrastructure  
23 throughout the State of Rhode Island to improve access to multiple intermodal sites, key  
24 transportation, healthcare, and other locations.

25 (4) Clean Water, Open Space, and Healthy Communities \$75,000,000

26 Approval of this question will allow the State of Rhode Island to issue general obligation  
27 bonds, refunding bonds, and temporary notes in an amount not to exceed seventy-five million  
28 dollars (\$75,000,000) for environmental and recreational purposes, to be allotted as follows:

29 (a) Brownfield Remediation and Economic Development \$5,000,000

30 Provides up to eighty percent (80%) matching grants to public, private, and/or non-profit  
31 entities for brownfield remediation projects.

32 (b) Green Streets and Green Neighborhoods \$4,000,000

33 Provides up to seventy percent (70%) matching grants of five hundred thousand dollars  
34 (\$500,000) or less for public, private, and/or non-profit entities to install "Green Infrastructure".

1 (c) Flood Prevention \$3,000,000  
2 To provide grants to public and/or non-profit entities for project design and construction  
3 grants for repairing and/or removing dams, restoring and/or improving resiliency of vulnerable  
4 coastal habitats, and restoring rivers and stream floodplains.

5 (d) Local Land Acquisition \$3,000,000  
6 Provides fifty percent (50%) matching grants to municipalities, local land trusts and non-  
7 profit organizations to acquire fee-simple title, development rights, or conservation easements to  
8 open space in Rhode Island.

9 (e) Local Food Sector \$500,000  
10 Provides funds through the Department of Environmental Management's Local  
11 Agriculture and Seafood Act program to farmers and/or non-profit entities to acquire, renovate  
12 and construct agricultural structures that enhance the viability and profitability of Rhode Island's  
13 food system.

14 (f) Farmland Acquisition \$3,000,000  
15 Provides funds to protect the state's working farms.

16 (g) Aquaculture Sector \$3,200,000  
17 Provides funds to develop a facility to serve as the base of operations for shellfish  
18 management and restoration in Rhode Island.

19 (h) Marine Infrastructure and Pier Development \$4,300,000  
20 Provides funds for marine infrastructure and pier development at sites critical to Rhode  
21 Island's tourism and fishing economy

22 (i) Parks and Management Area Improvement and Development \$4,000,000  
23 Provides funds to repair and improve Rhode Island's park and management areas  
24 infrastructure.

25 (j) Land Conservation and Acquisition \$4,000,000  
26 Provides funds to purchase land, development rights and conservation easements to fill  
27 gaps in state parks and management areas; protect iconic properties that have statewide  
28 significance; and for state parks, beaches, and water access points.

29 (k) Lake Recreation and Restoration Fund \$1,000,000  
30 Provides funds to carry out long-term projects to improve water quality in lakes that are  
31 priority state recreational assets and to improve access to and recreational opportunities on Rhode  
32 Island's fresh water bodies.

33 (l) Local Recreation Grants \$4,000,000  
34 Provides up to eighty percent (80%) matching grant funds to municipalities to acquire ,

1 develop, or rehabilitate local recreational facilities to meet the growing needs for active  
2 recreational facilities.

3 (m) Distressed Community Recreation Grants \$1,000,000

4 Provides ninety percent (90%) matching grants under the distressed communities  
5 program to develop and acquire parks and parkland.

6 (n) Clean Water Finance Agency \$20,000,000

7 Provides funds to finance water pollution abatement infrastructure projects.

8 (o) Water Facilities Assistance \$15,000,000

9 Provides funds to be leveraged with local water supplier funds to finance state water  
10 supply infrastructure projects.

11 SECTION 2. Ballot labels and applicability of general election laws. -- The secretary  
12 of state shall prepare and deliver to the state board of elections ballot labels for each of the  
13 projects provided for in section 1 hereof with the designations "approve" or "reject" provided next  
14 to the description of each such project to enable voters to approve or reject each such proposition.  
15 The general election laws, so far as consistent herewith, shall apply to this proposition.

16 SECTION 3. Approval of projects by people. -- If a majority of the people voting on  
17 the proposition provided for in section 1 hereof shall vote to approve the proposition as to any  
18 project provided for in section 1 hereof, said project shall be deemed to be approved by the  
19 people. The authority to issue bonds, refunding bonds and temporary notes of the state shall be  
20 limited to the aggregate amount for all such projects as set forth in the proposition provided for in  
21 section 1 hereof which has been approved by the people.

22 SECTION 4. Bonds for capital development program. -- The general treasurer is  
23 hereby authorized and empowered with the approval of the governor and in accordance with the  
24 provisions of this act, to issue from time to time capital development bonds in serial form in the  
25 name and on behalf of the state in amounts as may be specified from time to time by the governor  
26 in an aggregate principal amount not to exceed the total amount for all projects approved by the  
27 people and designated as "capital development loan of 2014 bonds" provided, however, that the  
28 aggregate principal amount of such capital development bonds and of any temporary notes  
29 outstanding at any one time issued in anticipation thereof pursuant to section 7 hereof shall not  
30 exceed the total amount for all such projects as have been approved by the people. All provisions  
31 in this act relating to "bonds" shall also be deemed to apply to "refunding bonds".

32 Capital development bonds issued under this act shall be in denominations of one  
33 thousand dollars (\$1,000) each, or multiples thereof, and shall be payable in any coin or currency  
34 of the United States which at the time of payment shall be legal tender for public and private

1 debts. These capital development bonds shall bear such date or dates, mature at specified time or  
2 times, but not beyond the end of the twentieth state fiscal year following the state fiscal year in  
3 which they are issued, bear interest payable semi-annually at a specified rate or different or  
4 varying rates, be payable at designated time or times at specified place or places, be subject to  
5 expressed terms of redemption or recall, with or without premium, be in a form, with or without  
6 interest coupons attached, carry such registration, conversion, reconversion, transfer, debt  
7 retirement, acceleration and other provisions as may be fixed by the general treasurer, with the  
8 approval of the governor, upon each issue of such capital development bonds at the time of each  
9 issue. Whenever the governor shall approve the issuance of such capital development bonds, he  
10 or she shall certify approval to the secretary of state; the bonds shall be signed by the general  
11 treasurer and countersigned by the manual or facsimile signature of the secretary of state and  
12 shall bear the seal of the state or a facsimile thereof. The approval of the governor shall be  
13 endorsed on each bond so approved with a facsimile of his or her signature.

14 SECTION 5. Refunding bonds for 2014 capital development program. -- The general  
15 treasurer is hereby authorized and empowered, with the approval of the governor and in  
16 accordance with the provisions of this act, to issue from time to time bonds to refund the 2014  
17 capital development program bonds in the name and on behalf of the state, in amounts as may be  
18 specified from time to time by the governor in an aggregate principal amount not to exceed the  
19 total amount approved by the people, to be designated as "capital development program loan of  
20 2014 refunding bonds" (hereinafter "refunding bonds").

21 The general treasurer with the approval of the governor shall fix the terms and form of  
22 any refunding bonds issued under this act in the same manner as the capital development bonds  
23 issued under this act, except that the refunding bonds may not mature more than twenty (20)  
24 years from the date of original issue of the capital development bonds being refunded.

25 The proceeds of the refunding bonds, exclusive of any premium and accrual interest and  
26 net the underwriters' cost, and cost of bond insurance, shall, upon their receipt, be paid by the  
27 general treasurer immediately to the paying agent for the capital development bonds which are to  
28 be called and prepaid. The paying agent shall hold the refunding bond proceeds in trust until they  
29 are applied to prepay the capital development bonds. While such proceeds are held in trust, they  
30 may be invested for the benefit of the state in obligations of the United States of America or the  
31 State of Rhode Island.

32 If the general treasurer shall deposit with the paying agent for the capital development  
33 bonds the proceeds of the refunding bonds or proceeds from other sources amounts that, when  
34 invested in obligations of the United States or the State of Rhode Island, are sufficient to pay all

1 principal, interest, and premium, if any, on the capital development bonds until these bonds are  
2 called for prepayment, then such capital development bonds shall not be considered debts of the  
3 State of Rhode Island for any purpose from the date of deposit of such moneys with the paying  
4 agent. The refunding bonds shall continue to be a debt of the state until paid.

5 The term "bond" shall include "note", and the term "refunding bonds" shall include  
6 "refunding notes" when used in this act.

7 SECTION 6. Proceeds of capital development program. -- The general treasurer is  
8 directed to deposit the proceeds from the sale of capital development bonds issued under this act,  
9 exclusive of premiums and accrued interest and net the underwriters' cost, and cost of bond  
10 insurance, in one or more of the depositories in which the funds of the state may be lawfully kept  
11 in special accounts (hereinafter cumulatively referred to as "such capital development bond  
12 fund") appropriately designated for each of the projects set forth in section 1 hereof which shall  
13 have been approved by the people to be used for the purpose of paying the cost of all such  
14 projects so approved.

15 All monies in the capital development bond fund shall be expended for the purposes  
16 specified in the proposition provided for in section 1 hereof under the direction and supervision of  
17 the director of administration (hereinafter referred to as "director"). The director or his or her  
18 designee shall be vested with all power and authority necessary or incidental to the purposes of  
19 this act, including but not limited to, the following authority: (a) to acquire land or other real  
20 property or any interest, estate or right therein as may be necessary or advantageous to  
21 accomplish the purposes of this act; (b) to direct payment for the preparation of any reports, plans  
22 and specifications, and relocation expenses and other costs such as for furnishings, equipment  
23 designing, inspecting and engineering, required in connection with the implementation of any  
24 projects set forth in section 1 hereof; (c) to direct payment for the costs of construction,  
25 rehabilitation, enlargement, provision of service utilities, and razing of facilities, and other  
26 improvements to land in connection with the implementation of any projects set forth in section 1  
27 hereof; and (d) to direct payment for the cost of equipment, supplies, devices, materials and labor  
28 for repair, renovation or conversion of systems and structures as necessary for 2014 capital  
29 development program bonds or notes hereunder from the proceeds thereof. No funds shall be  
30 expended in excess of the amount of the capital development bond fund designated for each  
31 project authorized in section 1 hereof. With respect to the bonds and temporary notes described in  
32 section 1, the proceeds shall be used for the following purposes:

33 Question 1 relating to bonds in the amount of one hundred twenty-five million dollars  
34 (\$125,000,000) to be provided to the University of Rhode Island to construct a state-of-the-art

1 College of Engineering building and for supporting renovations and demolition of outdated  
2 engineering buildings at the University of Rhode Island Kingston Campus.

3 Question 2 relating to bonds in the amount of thirty-five million dollars (\$35,000,000) for  
4 capital preservation and renovation projects for public and non-profit artistic, performance  
5 centers, historic sites, museums and cultural arts centers to be allocated as follows:

6 (a) Cultural Arts and the Economy Grant Program \$30,000,000

7 Provide funds for the a new Cultural Arts and the Economy Grant program to be  
8 administered by the Rhode Island Commerce Corporation in consultation with the Rhode Island  
9 State Council on the Arts for capital preservation and renovation projects for public and nonprofit  
10 artistic, performance centers and cultural art centers located throughout the State of Rhode Island.

11 (b) State Preservation Grants Program \$5,000,000

12 Provide funds to cities, towns and non-profit organizations to preserve, renovate and  
13 improve public and nonprofit historic sites, museums, and cultural art centers located in historic  
14 structures in the State of Rhode Island to be administered by the Rhode Island Historical  
15 Preservation and Heritage Commission.

16 Question 3 relating to bonds in the amount of forty million dollars (\$40,000,000) to be  
17 provided to the Department of Transportation to provide funding for enhancements and  
18 renovations to mass transit hub infrastructure throughout the State of Rhode Island to improve  
19 access to multiple intermodal sites, key transportation, healthcare, and other locations.

20 Question 4 relating to bonds in the amount of seventy five million dollars (\$75,000,000)  
21 for Clean Water, Open Space, and Healthy Communities programs to be allocated as follows:

22 (a) Brownfield Remediation for Economic Development \$5,000,000

23 Provides up to eighty percent (80%) matching grants to public, private, and/or non-profit  
24 entities for brownfield remediation projects. Between 10,000 and 12,000 abandoned industrial  
25 sites, referred to as "brownfields," lie idle in towns and cities across the state, much of it in prime  
26 commercial or industrial locations within the state's urban services boundaries established by  
27 Land Use 2020. Cleanup, reinvestment and re-use of these sites creates and attracts jobs, protects  
28 the urban environment, removes hazards, prevents sprawl, and reduces the cost of stormwater  
29 flooding.

30 (b) Green Streets and Green Neighborhoods \$4,000,000

31 Provides up to seventy percent (70%) matching grants of five hundred thousand dollars  
32 (\$500,000) or less for public, private, and/or non-profit entities to install "Green Infrastructure",  
33 such as green roofs, rain gardens, vegetated swales, pocket wetlands, green parking, vegetated  
34 filter strips, and riparian buffers to address major stormwater issues in Rhode Island communities.

1 Investment in green infrastructure will reduce beach closures, polluted ponds and flooding; build  
2 resiliency to extreme weather events; and create green jobs.

3 (c) Flood Prevention \$3,000,000

4 Provides grants to public and/or non-profit entities for project design and construction  
5 grants for repairing and/or removing dams, restoring and/or improving resiliency of vulnerable  
6 coastal habitats, and restoring rivers and stream floodplains. These funds are expected to leverage  
7 significant matching funds to support local programs to improve community resiliency and public  
8 safety in the face of increased flooding, major storm events, and environmental degradation.

9 (d) Local Land Acquisition to Build Resiliency and Natural Buffers \$3,000,000

10 Provides fifty percent (50%) matching grants to municipalities, local land trusts and non-  
11 profit organizations to acquire fee-simple title, development rights, or conservation easements to  
12 open space in Rhode Island. Two million dollars (\$2,000,000) of this bond funding will be  
13 prioritized for acquisitions or easements along vulnerable rivers, streams, ponds, and shoreline.

14 (e) Growing our Local Food Sector \$500,000

15 Provides funds through the Department of Environmental Management's Local  
16 Agriculture and Seafood Act program to farmers and/or non-profit entities to acquire, renovate,  
17 and construct agricultural structures that enhance the viability and profitability of Rhode Island's  
18 food system.

19 (f) Farmland Acquisition for Active Use \$3,000,000

20 Provides funds to protect the state's working farms. Through the State Land Acquisition  
21 Program, the Department of Environmental Management will purchase farmland in danger of  
22 converting to non-agricultural use, then restrict and affordably sell or lease the land to qualified  
23 farmers. Funds from sale of the land to farmers will be returned to the program account for re-use  
24 in new projects.

25 (g) Supporting the Growth of our Aquaculture Sector \$3,200,000

26 Provides funds for developing a facility to serve as the base of operations for shellfish  
27 management and restoration in Rhode Island. Linked to the priorities and recommendations of the  
28 University of Rhode Island-led Shellfish Management Planning Initiative, the facility will house  
29 the Department of Environmental Management's Fish and Wildlife staff, host marine restoration  
30 partners, such as The Nature Conservancy, Save the Bay, and state universities; and serve as the  
31 base for aquaculture research, restoration, and aquaculture business sector development.

32 (h) Marine Infrastructure and Pier Development \$4,300,000

33 Provides funds for marine infrastructure and pier development at sites critical to Rhode  
34 Island's tourism and fishing economy. Funds used for marine development and improvements

1 will be matched with federal funds, with landside improvements to be leveraged with local,  
2 private, and federal funds. These funds shall be used to: develop a fishing pier and boating access  
3 ramp at Rocky Point in Warwick; develop a fishing pier and public restroom facility at India  
4 Point in Providence; and develop a fishing pier at Green Lane in Portsmouth.

5 (i) Park and Management Area Improvement and Development \$4,000,000

6 Provides funds to repair and improve Rhode Island's park and management areas  
7 infrastructure. The Department of Environmental Management maintains over fifty state-owned  
8 buildings and over 163 miles of paved and un-paved roads in state parks and management areas.  
9 Priority projects include facility upgrades at Colt State Park, Brenton Point, and Fisherman's  
10 Memorial state park; drainage and road improvements within the state's management areas;  
11 demolition of structures at Arcadia, Black Farm, and Chopmist management areas; and the initial  
12 phase of Rocky Point development.

13 (j) Land Conservation and Acquisition Program \$4,000,000

14 Provides funds to purchase land, development rights and conservation easements to fill  
15 gaps in state parks and management areas; protect iconic properties that have statewide  
16 significance; and for state parks, beaches, and water access points. Rhode Island's beaches, bays,  
17 forests, farms, and rivers help to sustain the state's economy and provide residents with a high  
18 quality of life. On average, the Department of Environmental Management is able to leverage a  
19 seventy-five percent (75%) match from federal and local sources to match the state's investment.

20 (k) Lake Recreation and Restoration Fund \$1,000,000

21 Provides funds to carry out long-term projects to improve water quality in lakes that are  
22 priority state recreational assets and to improve access to and recreational opportunities on Rhode  
23 Island's fresh water bodies. Rhode Island's landscape includes hundreds of freshwater lakes and  
24 ponds covering 20,749 acres. Freshwater facilities and water bodies provide a myriad of outdoor  
25 recreational opportunities, support our robust recreational fishing economy, and in many  
26 communities serve as drinking water supplies.

27 (l) Local Recreation Grants \$4,000,000

28 Provides up to eighty percent (80%) matching grant funds to municipalities to acquire,  
29 develop, or rehabilitate local recreational facilities to meet the growing needs for active  
30 recreational facilities. All grant applications are evaluated and ranked by the State Recreation  
31 Resources Review Committee.

32 (m) Distressed Community Recreation Grants \$1,000,000

33 Provides ninety percent (90%) matching grants under the distressed communities  
34 program for development of parks and parkland acquisition.

1 (n) Capital for Clean Water \$20,000,000

2 Provides funds to be administered by the Clean Water Finance Agency to finance water  
3 pollution abatement infrastructure projects. The Department of Environmental Management has  
4 compiled a list of more than \$1.8 billion dollars of needed clean water infrastructure  
5 improvements from municipalities and the Narragansett Bay Commission. Projects range from  
6 wastewater treatment upgrades and stormwater quality improvements to combined sewer  
7 overflow abatement projects.

8 (o) Protection and Enhancement of Public Drinking Water Supplies \$15,000,000

9 Provides funds to be leveraged with local water supplier funds to finance state water  
10 supply infrastructure projects. Projects include the construction of an alternative water supply line  
11 for the Bristol County Water Authority and to construct interconnection lines between major  
12 water systems for strategic movement of water throughout the State, both for emergency and  
13 normal operations.

14 SECTION 7. Sale of bonds and notes. -- Any bonds or notes issued under the authority  
15 of this act shall be sold from time to time at not less than the principal amount thereof, in such  
16 mode and on such terms and conditions as the general treasurer, with the approval of the  
17 governor, shall deem to be for the best interests of the state.

18 Any premiums and accrued interest, net of the cost of bond insurance and underwriter's  
19 discount, which may be received on the sale of the capital development bonds or notes shall  
20 become part of the Rhode Island Capital Plan Fund of the state, unless directed by federal law or  
21 regulation to be used for some other purpose.

22 In the event that the amount received from the sale of the capital development bonds or  
23 notes exceeds the amount necessary for the purposes stated in section 6 hereof, the surplus may  
24 be used to the extent possible to retire the bonds as the same may become due, to redeem them in  
25 accordance with the terms thereof or otherwise to purchase them as the general treasurer, with the  
26 approval of the governor, shall deem to be for the best interests of the state.

27 Any bonds or notes issued under the provisions of this act and coupons on any capital  
28 development bonds, if properly executed by the manual or facsimile signatures of officers of the  
29 state in office on the date of execution shall be valid and binding according to their tenor,  
30 notwithstanding that before the delivery thereof and payment therefor, any or all such officers  
31 shall for any reason have ceased to hold office.

32 SECTION 8. Bonds and notes to be tax exempt and general obligations of the state. -

33 - All bonds and notes issued under the authority of this act shall be exempt from taxation in the  
34 state and shall be general obligations of the state, and the full faith and credit of the state is hereby

1 pledged for the due payment of the principal and interest on each of such bonds and notes as the  
2 same shall become due.

3 SECTION 9. Investment of moneys in fund. -- All moneys in the capital development  
4 fund not immediately required for payment pursuant to the provisions of this act may be invested  
5 by the investment commission, as established by chapter 35-10, pursuant to the provisions of such  
6 chapter; provided, however, that the securities in which the capital development fund is invested  
7 shall remain a part of the capital development fund until exchanged for other securities; and  
8 provided further, that the income from investments of the capital development fund shall become  
9 a part of the general fund of the state and shall be applied to the payment of debt service charges  
10 of the state, unless directed by federal law or regulation to be used for some other purpose, or to  
11 the extent necessary, to rebate to the United States treasury any income from investments  
12 (including gains from the disposition of investments) of proceeds of bonds or notes to the extent  
13 deemed necessary to exempt (in whole or in part) the interest paid on such bonds or notes from  
14 federal income taxation.

15 SECTION 10. Appropriation. -- To the extent the debt service on these bonds is not  
16 otherwise provided, a sum sufficient to pay the interest and principal due each year on bonds and  
17 notes hereunder is hereby annually appropriated out of any money in the treasury not otherwise  
18 appropriated.

19 SECTION 11. Advances from general fund. -- The general treasurer is authorized from  
20 time to time with the approval of the director and the governor, in anticipation of the issue of  
21 notes or bonds under the authority of this act, to advance to the capital development bond fund for  
22 the purposes specified in section 6 hereof, any funds of the state not specifically held for any  
23 particular purpose; provided, however, that all advances made to the capital development bond  
24 fund shall be returned to the general fund from the capital development bond fund forthwith upon  
25 the receipt by the capital development fund of proceeds resulting from the issue of notes or bonds  
26 to the extent of such advances.

27 SECTION 12. Federal assistance and private funds. -- In carrying out this act, the  
28 director, or his or her designee, is authorized on behalf of the state, with the approval of the  
29 governor, to apply for and accept any federal assistance which may become available for the  
30 purpose of this act, whether in the form of loan or grant or otherwise, to accept the provision of  
31 any federal legislation therefor, to enter into, act and carry out contracts in connection therewith,  
32 to act as agent for the federal government in connection therewith, or to designate a subordinate  
33 so to act. Where federal assistance is made available, the project shall be carried out in  
34 accordance with applicable federal law, the rules and regulations thereunder and the contract or

1 contracts providing for federal assistance, notwithstanding any contrary provisions of state law.  
2 Subject to the foregoing, any federal funds received for the purposes of this act shall be deposited  
3 in the capital development bond fund and expended as a part thereof. The director or his or her  
4 designee may also utilize any private funds that may be made available for the purposes of this  
5 act.

6 SECTION 13. Effective Date. -- Sections 1, 2, 3, 11, and 12 of this article shall take  
7 effect upon passage. The remaining sections of this article shall take effect when and if the state  
8 board of elections shall certify to the secretary of state that a majority of the qualified electors  
9 voting on the propositions contained in section 1 hereof have indicated their approval of all or any  
10 projects thereunder.

## 11 ARTICLE 6

### 12 RELATING TO RESOURCE RECOVERY CORPORATION

13 SECTION 1. Section 23-19-13.5 of the General Laws in Chapter 23-19 entitled "Rhode  
14 Island Resource Recovery Corporation" is hereby amended to read as follows:

15 **23-19-13.5. Interim rates.** -- The municipal tipping fee charged by the resource recovery  
16 corporation shall be as follows:

17 (1) Thirty-two dollars (\$32.00) per ton from July 1, 2011 to June 30, ~~2014~~ 2015, for any  
18 municipality that recycles between zero percent (0%) and twenty-four and ninety-nine hundredths  
19 percent (24.99%) of its solid waste at the Corporation's material recycling facility ("MRF") in  
20 Johnston.

21 (2) Thirty-one dollars (\$31.00) per ton from July 1, 2011 to June 30, ~~2014~~ 2015, for any  
22 municipality that recycles between twenty-five percent (25%) and twenty-nine and ninety-nine  
23 hundredths percent (29.99%) of its solid waste at the Corporation's ("MRF") in Johnston.

24 (3) Thirty dollars (\$30.00) per ton from July 1, 2011 to June 30, ~~2014~~ 2015, for any  
25 municipality that recycles between thirty percent (30%) and thirty-four and ninety-nine  
26 hundredths percent (34.99%) of its solid waste at the Corporation's ("MRF") in Johnston.

27 (4) Twenty-nine dollars (\$29.00) per ton from July 1, 2011 to June 30, ~~2014~~ 2015, for  
28 any municipality that recycles thirty-five percent (35%) or more of its solid waste at the  
29 Corporation's ("MRF") in Johnston.

30 (5) The Corporation shall issue a rebate not later than September 1 of each year to those  
31 municipalities qualifying for a year-end tipping fee adjustment according to the municipality's  
32 actual recorded tonnage delivered to the MRF in Johnston, and in accordance with the provisions  
33 of the municipality's current-year signed solid waste and recycling services agreement with the  
34 corporation.

1 SECTION 2. This article shall take effect as of July 1, 2014.

2 **ARTICLE 7**

3 **RELATING TO REGIONAL GREENHOUSE GAS INITIATIVE ACT**

4 SECTION 1. Section 23-82-6 of the General Laws in Chapter 23-82 entitled  
5 "Implementation of the Regional Greenhouse Gas Initiative Act" is hereby amended to read as  
6 follows:

7 **23-82-6. Use of auction or sale proceeds.** -- (a) The proceeds from the auction or sale of  
8 the allowances shall be used for the benefit of energy consumers through investment in the most  
9 cost-effective available projects that can reduce long-term consumer energy demands and costs.  
10 Such proceeds may be used only for the following purposes, in a proportion to be determined  
11 annually by the office in consultation with the council and the board:

12 (1) Promotion of cost-effective energy efficiency and conservation in order to achieve the  
13 purposes of § 39-1-27.7;

14 (2) Promotion of cost-effective renewable non-carbon emitting energy technologies in  
15 Rhode Island as defined in § 39-26-5 and to achieve the purposes of chapter 39-26 entitled  
16 "Renewable Energy Standard";

17 (3) Cost-effective direct rate relief for consumers;

18 (4) Direct rate relief for low-income consumers;

19 (5) Reasonable compensation to an entity selected to administer the auction or sale; and

20 (6) Reasonable costs of the department of environmental management and office of  
21 energy resources in administering this program, as well as other climate change, energy  
22 efficiency, and renewable program efforts of the department of environmental management and  
23 office of energy resources, which shall not in any year exceed three hundred thousand dollars  
24 (\$300,000) or ~~five percent (5%)~~ ten percent (10%) of the proceeds from sale or auction of the  
25 allowances, whichever is ~~less~~ greater. Administrative funds not expended in any fiscal year shall  
26 remain in the administrative account to be used as needed in subsequent years. The office of  
27 energy resources shall have the ability to apply administrative funds not used in a fiscal year to  
28 achieve the purpose of this section. The funds deposited into the administrative funds account  
29 shall be exempt from the indirect cost recovery provisions of section 35-4-27.

30 (b) Any interest earned on the funds so generated must be credited to the fund. Funds not  
31 spent in any fiscal year shall remain in the fund to be used for future energy efficiency and carbon  
32 reduction programs.

33 (c) Annually, the office, in consultation with council and board, shall prepare a draft  
34 proposal on how the proceeds from the allowances shall be allocated. The draft proposal shall be

1 designed to augment and coordinate with existing energy efficiency and renewable energy  
2 programs, and shall not propose use of auction proceeds for projects already funded under other  
3 programs. The proposal for allocation of proceeds in subsections 23-82-6(1), (2) and (3) shall be  
4 one that best achieves the purposes of the law, namely, lowering carbon emissions and  
5 minimizing costs to consumers over the long term. The office shall hold a public hearing and  
6 accept public comment on the draft proposal in accordance with chapter 42-35 (the  
7 "Administrative Procedure Act"). Once the proposal is final, the office shall authorize the  
8 disbursement of funds in accordance with the final plan.

9 (d) The office shall prepare, in consultation with council and board, a report by April  
10 15th of each year describing the implementation and operation of RGGI, the revenues collected  
11 and the expenditures, including funds that were allocated to the energy efficiency and renewable  
12 energy programs, and the individuals, businesses and vendors that received funding, made under  
13 this section, the statewide energy efficiency and carbon reduction programs, and any  
14 recommendations for changes to law relating to the state's energy conservation or carbon  
15 reduction efforts. The report shall be made public and be posted electronically on the website of  
16 the office of energy resources and shall also be submitted to the general assembly.

17 SECTION 2. This article shall take effect as of July 1, 2014.

18 **ARTICLE 8**

19 **RELATING TO WATER SUPPLIES**

20 SECTION 1. Sections 46-15.5-2, 46-15.5-4, 46-15.5-5, 46-15.5-6, 46-15.5-6.1, 46-15.5-  
21 7, and 46-15.5-9 of the General Laws in Chapter 46-15.5 entitled "Bristol County Water Supply"  
22 are hereby amended to read as follows:

23 **46-15.5-2. Legislative declaration.** -- Recognizing the importance of protecting,  
24 maintaining and utilizing all sources of potable water and recognizing that with the continued  
25 demands on the ~~Seituate Reservoir~~ [water resources throughout the State](#), the existing Bristol  
26 County water supplies will remain an important source of water for Bristol County in the future  
27 (there being no other logical recipient of this water), it is the intent of the legislature that the  
28 existing sources, transmission lines and treatment facilities be maintained ~~and/or upgraded to~~  
29 ~~conform to federal Safe Drinking Water Act standards, 42 U.S.C. § 300f et seq.~~ [as a tertiary](#)  
30 [source](#), irrespective of whether ownership and control is maintained by the Bristol County water  
31 authority or is turned over to the state water resources board or its successor. Accordingly, this  
32 general assembly hereby finds and declares that:

33 (1) The citizens of Bristol County [and East Providence](#) lack ~~an adequate and secure~~  
34 ~~supply~~ [a secure and reliable secondary source](#) of potable water;

1           (2) ~~Heretofore acting through Bristol County water authority, the state water resources~~  
2 ~~board, the citizens of Bristol County~~ Staff of the state water resources board, representatives of  
3 the Pawcatuck water supply board, the East Providence water division, and the Bristol County  
4 water authority have presented a proposal for the construction of certain water facilities to bring  
5 water from the ~~Scituate Reservoir~~ Pawtucket Water Supply Board's reservoirs to East Providence  
6 and the Bristol County water authority pump station in East Providence;

7           (3) The ~~state and its citizens would be better served and the environment enhanced by the~~  
8 ~~construction of an additional connection connecting Bristol County to the Scituate Reservoir~~  
9 future demands for potable water in the state's Northern Region are estimated by the state water  
10 resources board to be adequately serviced by the Northern Region surface water systems; and

11           (4) The need for water in Bristol County and East Providence is critical and requires  
12 immediate and prompt action on the part of the state, its agencies, boards and commissions.

13           (5) The Bristol County ~~will require~~ water authority and the East Providence water  
14 division may use water from the Pawtucket water supply board as an alternate source of supply,  
15 ~~in order to construct the improvements to its existing system of reservoirs, wells, and treatment~~  
16 ~~plants~~ in addition to their existing water supply from the Providence water supply board,

17           (6) The alternatives connection to the Pawtucket water supply board authorized by this  
18 chapter will be less expensive than the ~~East Providence connection~~ Shad Factory pipeline  
19 replacement and the Child Street Treatment facility upgrade, so-called, and

20           (7) Reliance by citizens of East Providence and Bristol County on a single connection to  
21 the Providence water supply board would create a hazard to the health, safety and welfare of the  
22 citizens of East Providence and Bristol County, and, therefore, the construction of an ~~emergency~~  
23 ~~connection~~ interconnection to the Pawtucket water supply board, which shall permit water to flow  
24 in either direction is a public necessity.

25           (8) The state is mandated to ~~upgrade the current Bristol County water system of~~  
26 ~~reservoirs, wells, treatment plant, and transmission lines, with the first priority being given to the~~  
27 ~~construction of a new raw water transmission line~~ coordinate the construction of the  
28 interconnection between Pawtucket water supply board, the East Providence water division, and  
29 the Bristol County water authority.

30           **46-15.5-4. Rates and charges for water.** -- If either the Pawtucket water supply board,  
31 city of East Providence or the Bristol County water authority shall utilize the ~~emergency~~  
32 ~~connection~~ interconnection, the party providing water shall charge the party for the water so  
33 provided an amount determined by applying the rate charged to such providing party by the  
34 ~~Providence~~ originating water supply board under the then current schedule applicable to such

1 party. No such connection nor the transmission of water through such connection nor the payment  
2 of the surcharge shall subject the either the City of East Providence or the Pawtucket water supply  
3 board to the jurisdiction of the public utilities commission pursuant to § 39-1-2(20).

4 **46-15.5-5. Financing.** -- (a) The ~~Bristol County water authority~~ extension of the its  
5 transmission system to connect the Bristol County water authority to the ~~Providence~~ Pawtucket  
6 water supply system ~~through the additional connection together with the emergency connection as~~  
7 ~~set forth in § 46-15.5-3 and the cost of planning, design and permitting the improvements to the~~  
8 ~~Bristol County water authority's existing system as set forth in § 46-15.5-6 (the "existing system"~~  
9 ~~enhancement)~~ as directed by the water resources board shall be deemed an approved intersystem  
10 facility as that term is defined in § 46-15.2-3 and up to fifty percent (50%) of the cost thereof  
11 shall be considered eligible for funding pursuant to the provisions of chapter 15.2 of this title.  
12 This funding will supplement the funding available through provisions of § 46-15.5-6 and 46-  
13 15.5-6.1. The remaining costs will be contributed by the Pawtucket water supply board, East  
14 Providence water division, and the Bristol County water authority, in proportions to be  
15 established by the state water resources board. ~~There is hereby included in the 1994 capital~~  
16 ~~budget an amount equal to \$14.8 million (\$14,800,000) to be used to fund such additional~~  
17 ~~connections, the emergency connection and the existing system enhancement.~~ The water  
18 resources board is hereby directed to take such steps as shall be necessary to transfer any funds  
19 heretofore set aside or designated for purposes of providing funding ~~to the Bristol County water~~  
20 ~~authority for the cross bay pipeline to the East Providence connection~~ for the design, permitting,  
21 and construction of interconnections between the Pawtucket water supply board and the Bristol  
22 County water authority system, as authorized and directed by this chapter.

23 (b) The Bristol County water authority, the East Providence water division, and the  
24 Pawtucket water supply board is deemed to have met the provisions of § 46-15.2-5(d)(2), (3), (4),  
25 (5), (6), (8), (e) and (f) with respect to the connections authorized by this chapter. The water  
26 resources board shall give priority to the application filed by the Bristol County water authority in  
27 accordance with chapter 15.2 of this title and this chapter and shall approve the project based  
28 upon its findings of fact as provided in §§ 46-15.2-5(d)(1) and (7) without the necessity of  
29 meeting any other conditions precedent set forth in §§ 46-15.2-4(e) and 46-15.2-6(a).

30 (c) All other state agencies having jurisdiction over the Bristol County water authority  
31 with respect to any permit required to design and construct the additional and emergency  
32 connections authorized by this chapter shall give administrative, hearing and decisional priority to  
33 any application for any such permit.

34 **46-15.5-6. Existing facilities of the Bristol County water authority.** -- (a) The Bristol

1 County water authority will continue to maintain its reservoirs, wells and well sites, transmission  
2 lines and water treatment plants in good, sound and safe condition in accordance with its past  
3 practices. The Bristol County water authority shall continue to take all steps necessary to protect  
4 its legal right to withdraw water from its existing reservoirs, wells and well sites, and shall protect  
5 the watershed surrounding said reservoirs to the extent it has legal authority to do so and shall  
6 maintain its transmission lines from its existing reservoirs, wells, well sites and water treatment  
7 facilities; provided, however, that if in order to protect its legal authority to withdraw water from  
8 the existing reservoirs, the Bristol County water authority shall be required to maintain all or part  
9 of its facilities in accordance with federal Safe Drinking Water Act standards, 42 U.S.C. § 300f et  
10 seq., the capital cost thereof shall be paid for by the ~~state water resources board~~ ratepayers of the  
11 Bristol County water authority.

12 (b) The Bristol County water authority in co-operation with the state water resources  
13 board shall prepare a plan to protect, enhance and improve its existing reservoirs, wells, well  
14 sites, transmission lines and treatment plants. ~~Upon approval of such plan, the authority shall~~  
15 ~~cause to be prepared definitive construction plans and drawings and shall apply for and prosecute~~  
16 ~~to completion all federal, state and local permits necessary to permit such construction to be~~  
17 ~~lawfully undertaken; provided, however, if at any time, the Bristol County water authority shall~~  
18 ~~have satisfied the limitation on its financial commitment as set forth in § 46-15.5-6.1, then it shall~~  
19 ~~no longer be required to undertake such planning, design and permitting unless the water~~  
20 ~~resources board shall lawfully provide one hundred percent (100%) of the cost thereof.~~ This plan  
21 will be integrated into the Bristol County water authority water supply system management plan  
22 pursuant to chapter 15.3 of this title. Such plan shall make reference to the proper use,  
23 management, and maintenance of the primary, secondary, and tertiary sources of supply.

24 (c) Upon completion of the construction authorized by such plan, the Bristol County  
25 water authority shall utilize the existing system as so improved in the overall management of its  
26 water supply and distribution system in compliance with its water supply management plan  
27 approved pursuant to chapter ~~15.4~~ 15.3 of this title. If, after all permits for such improvements  
28 and enhancements have been received the water resources board shall determine to purchase such  
29 existing reservoirs, wells, well sites, transmission lines, and distribution of water treatment  
30 facilities, the Bristol County water authority is authorized to sell or lease any one or more of such  
31 reservoirs, wells, well sites, transmission lines, or treatment facilities to the board pursuant to the  
32 provision of § 46-15.1-7 and the board is authorized to the extent not otherwise permitted by law  
33 to acquire such facilities and improve such facilities under the provisions of chapter 15.3 of this  
34 title except as specifically provided for in this section. ~~From and after the date of the activation of~~

1 ~~the additional and emergency connection, the Bristol County water authority shall have no further~~  
2 ~~obligation to expend funds for improvements to its reservoirs, pipelines connecting any one or~~  
3 ~~more of such reservoirs and water treatment facilities unless and to the extent that such funds~~  
4 ~~shall be provided by the water resources board pursuant to existing provisions of the general laws~~  
5 ~~or such provisions as may be hereinafter enacted.~~

6 (d) The state water resources board shall provide funding necessary to maintain the  
7 reservoirs, wells and well sites and pipelines connecting any one or more of such reservoirs, wells  
8 and well sites, and water treatment facilities of the Bristol County water authority system from  
9 general obligation bond proceeds, if available, of up to \$13.5 million (fifty percent (50%) of the  
10 total estimated project cost of \$27.0 million) to construct interconnections from the Pawtucket  
11 water supply board system to the Bristol County water authority system, so as to meet all federal  
12 standards related to safe drinking water. Notwithstanding any other provision of law, any  
13 amounts so expended by the state water resources board shall be deemed eligible expenditures  
14 within the meaning of § 46-15.3-4(4).

15 **46-15.5-6.1. Limitation on expenditures.** -- The Bristol County water authority, the  
16 Pawtucket water supply board, and the East Providence water division shall pay ~~fifty percent~~  
17 ~~(50%)~~ proportional shares of costs of planning, design, permitting and construction of the  
18 ~~additional and emergency~~ connections authorized by this chapter, ~~until the total cost thereof shall~~  
19 ~~equal \$29.6 million (\$29,600,000)~~ in proportions to be established by the state water resources  
20 board. All costs in excess of ~~\$29.6 million (\$29,600,000)~~ \$13.5 million will be paid by the Bristol  
21 County water authority, the East Providence water division, and the Pawtucket water supply  
22 board, in proportions to be established by the state water resources board. ~~In the event that the~~  
23 ~~total expenditures by the Bristol County water authority for the planning, design, permitting and~~  
24 ~~construction of the additional and emergency connections authorized hereby shall be less than~~  
25 ~~\$14.8 million (\$14,800,000), the Bristol County water authority shall expend the differences for~~  
26 ~~the planning, design, permitting and construction of the existing systems enhancements, with the~~  
27 ~~first priority being given to the completion of a new raw water transmission line to the existing~~  
28 ~~Bristol County reservoirs.~~

29 **46-15.5-7. Connection with Providence and Pawtucket water supply system.** -- The  
30 provisions of § 18 of chapter 1278 of the public laws of Rhode Island, of 1915 as amended,  
31 dealing with the connection of the Bristol County water authority with the Providence water  
32 supply system are hereby amended to authorize the additional connection and the emergency  
33 connections in the manner approved by the water resources board in accordance with the  
34 provisions of this chapter and with chapter 15 of this title. That § 18 is further amended by adding

1 the City of East Providence to those cities wherein all pipelines and other water works  
2 appurtenances of the Bristol County water authority are exempt from local taxation. The City of  
3 Providence is authorized and directed to treat the additional connection as an acceptable "delivery  
4 point" pursuant to those provisions of that certain agreement dated March 28, 1986 between the  
5 Bristol County water authority and the City of Providence, subject nevertheless to the provisions  
6 of § 5 of such agreement. The connection of the Bristol County water authority system and the  
7 East Providence water division with the Pawtucket water supply board system shall be authorized  
8 by the water resources board in accordance with the provisions of this chapter and with chapter  
9 15 of this title, and as stated in a written agreement executed by the parties.

10 **46-15.5-9. Administrative priority.** -- Any state agency, board, council, or commission  
11 shall give priority in terms of consideration of, and hearing on, any application made by the  
12 Bristol County water authority, East Providence water division, or the Pawtucket water supply  
13 board, seeking necessary approvals to carry out the provisions of this chapter.

14 SECTION 2. Section 46-15.5-3 of the General Laws in Chapter 46-15.5 entitled "Bristol  
15 County Water Supply" is hereby repealed.

16 ~~**46-15.5-3. Pipeline connection.** -- (a) The Bristol County water authority shall design,~~  
17 ~~plan, permit, and construct an additional connection to the City of Providence water supply~~  
18 ~~system and construct a new water transmission line to its existing reservoirs. The additional~~  
19 ~~connection to Providence will be constructed north of Fields Point across the Providence River~~  
20 ~~through subterranean excavation, directional drilling or micro tunneling for a pipe not to exceed~~  
21 ~~thirty (30) inches in diameter and without any excavation of the river bed and to extend its~~  
22 ~~transmission mains into and through the city of East Providence to connect with the distribution~~  
23 ~~system of the Bristol County water authority to effect a regular and emergency connection at such~~  
24 ~~places and on such terms and pursuant to such plans as the water resources board shall approve~~  
25 ~~pursuant to the provisions of § 46-15-7.~~

26 ~~(1) In addition, the Bristol County water authority shall design, plan, permit, and~~  
27 ~~construct an emergency connection to the City of East Providence water supply system at such~~  
28 ~~point and upon such terms and conditions as the authority, the city and the water resources board~~  
29 ~~shall agree upon.~~

30 ~~(2) It is hereby being determined that such connections are just and equitable to all the~~  
31 ~~municipalities affected thereby and that such connections are justified by public necessity and are~~  
32 ~~desirable, and will not adversely affect present and future necessities for sources of water supply,~~  
33 ~~including an adequate flow to the Pawtucket River.~~

34 ~~(3) The Providence water supply board shall release a minimum of nine million~~

1 ~~(9,000,000) gallons of water per day into the Pawtuxet River from the Scituate Reservoir, thereby~~  
2 ~~assisting the cities of Cranston and Warwick and the towns of Coventry and West Warwick to~~  
3 ~~achieve its wastewater treatment plan permit limits and enable the Pawtuxet River to meet EPA~~  
4 ~~Class C water quality standards.~~

5 ~~(4) The water resources board shall give priority consideration to the application, when~~  
6 ~~and if filed by the Bristol County water authority pursuant to the provisions of § 46-15-7, but the~~  
7 ~~application need only address the plans and specifications for the connections and the means by~~  
8 ~~which the connections will be effected. There shall be no requirement that the Bristol County~~  
9 ~~water authority demonstrate public necessity, or whether the plans and specifications give~~  
10 ~~consideration to present and future necessities for the sources of water supply. The design~~  
11 ~~contained in the plans and specifications shall afford the Bristol County water authority a capacity~~  
12 ~~not to exceed 7.5 million (7,500,000) gallons per day maximum day demand. The provisions of §~~  
13 ~~46-15.3-7.6 or chapter 15.3 of this title shall not apply to any approval of the connection.~~

14 ~~(b) The design, of both the new raw water transmission line and the additional~~  
15 ~~connections to the City of Providence water supply system including the emergency connection~~  
16 ~~to the City of East Providence water supply system shall be commenced simultaneously, and such~~  
17 ~~projects shall be simultaneously pursued to completion with all reasonable diligence.~~

18 SECTION 3. This article shall take effect upon passage.

## 19 ARTICLE 9

### 20 RELATING TO FICA ALTERNATE RETIREMENT PLAN

21 SECTION 1. Section 36-7-2 of the General Laws in Chapter 36-7 entitled "Federal Old-  
22 Age and Survivors' Insurance" is hereby amended to read as follows:

23 **36-7-2. Definitions.** -- For the purposes of §§ 36-7-1 – 36-7-31, 36-7-33.1, and 36-7-35,  
24 the following terms shall have the meanings indicated unless different meanings are clearly  
25 expressed or required by the context:

26 (1) "Agency of the state" shall mean:

27 (i) All departments, divisions, agencies, and instrumentalities of the state which are not  
28 juristic entities, legally separate and distinct from the state;

29 (ii) Civilian employees of the Rhode Island national guard; or

30 (iii) Any instrumentality of the state such as fire districts, water districts, water  
31 authorities, sewer commissions and authorities, housing authorities, or other instrumentality of  
32 the state which are a juristic entity and legally separate and distinct from the state and if the  
33 employees of the instrumentality are not by virtue of their relation to juristic entity employees of  
34 the state. Without limiting the generality of the foregoing, examples of those agencies would be

1 the Kent County water authority, the Providence housing authority, the Blackstone Valley sewer  
2 district commission, and other like instrumentalities of the state.

3 (2) "City or town" shall mean:

4 (i) Any city or town of the state of Rhode Island, inclusive of any department, division,  
5 agency, board, commission, or bureau thereof;

6 (ii) Any instrumentality of a city or town which is a juristic entity and legally separate  
7 and distinct from the city or town and if its employees are not by virtue of their relation to the  
8 juristic entity employees of the city or town; or

9 (iii) Any instrumentality of two or more citizens and/or towns which is a juristic entity as  
10 provided in subdivision (ii) hereof.

11 (3) "IRC" shall mean the Internal Revenue Code of 1986, as amended.

12 (4) "Coverage group" shall mean:

13 (i) All employees of the state other than those engaged in performing service in  
14 connection with a proprietary function;

15 (ii) All employees of a city or town other than those engaged in performing service in  
16 connection with a single proprietary function;

17 (iii) All employees of the state engaged in performing service in connection with a single  
18 proprietary function;

19 (iv) All employees of an agency of the state;

20 (v) All employees of a city or town of the state engaged in performing service in  
21 connection with a single proprietary function. If under the preceding sentence an employee would  
22 be included in more than one coverage group by reason of the fact that he or she performs service  
23 in connection with two (2) or more proprietary functions or in connection with both a proprietary  
24 function and a nonproprietary function, he or she shall be included in only one coverage group.  
25 The determination of the coverage group in which the employee shall be included shall be made  
26 in such manner as may be specified in the agreement. Members of retirement systems shall  
27 constitute separate coverage groups as provided in § 36-7-10.

28 (5) "Employee" shall mean any officer or employee of any city, town, or agency of the  
29 state receiving salaries or wages for employment.

30 (6) "Employment" shall mean any service performed by an employee for wages as a  
31 member of a coverage group as herein defined, including service of an emergency nature, service  
32 in any class or classes of elective positions and service in part-time positions, but excluding the  
33 following:

34 (i) Service in a position the compensation for which is on a fee basis;

1 (ii) Service performed by election officials or election workers for calendar year 2003 in  
2 which the remuneration paid for that service is less than one thousand two hundred fifty dollars  
3 (\$1,250), and for each calendar year after 2003 in which the remuneration paid is less than the  
4 adjusted amount in accordance with section 218(c)(8)(B) of the Social Security Act;

5 (iii) Service which under the federal Social Security Act may not be included in an  
6 agreement between the state and the secretary entered into under this chapter;

7 (iv) Service which, in the absence of an agreement entered into under §§ 36-7-1 – 36-7-  
8 31, would constitute "employment" as defined in the federal Social Security Act. Service which  
9 under the federal Social Security Act may be included in an agreement only upon certification by  
10 the governor in accordance with § 218(d)(3) of the federal Social Security Act, 42 U.S.C. §  
11 418(d)(3), shall be included in the term "employment" if and when the governor issues, with  
12 respect to that service, a certificate to the secretary, pursuant to § 36-7-19.

13 (B) Notwithstanding any of the foregoing, if pursuant to § 141 of P.L. 92-603, 42 U.S.C.  
14 § 418, the state agreement with the federal government referred to in § 36-7-3 is modified  
15 appropriately at any time prior to January 1, 1974, the term "employment" with respect to any  
16 coverage group specified in the modification shall, effective after the effective date specified in  
17 the modification, include services in designated part-time positions but not services performed in  
18 the employ of a school, college, or university by a student who is enrolled and regularly attending  
19 classes at that school, college, or university.

20 (7) "FARP" shall mean the FICA Alternative Retirement Income Security Program as  
21 described in § 36-7-33.1.

22 (8) "FARP-eligible employee" shall mean any part-time, seasonal, or temporary  
23 employee of the state of Rhode Island who is ineligible for participation in the Employees'  
24 Retirement System of Rhode Island.

25 (9) "FARP part-time employee" shall mean an employee of the state of Rhode Island who  
26 works ~~less than~~ twenty (20) hours ~~or less~~ per week, in accordance with IRC standards.

27 (10) "Federal Insurance Contributions Act" or "FICA" shall mean subchapter A of  
28 chapter 9 of the federal Internal Revenue Code of 1939, subchapters A and B of chapter 21 of the  
29 federal Internal Revenue Code of 1954, and subchapters A and B of chapter 21 of the federal  
30 Internal Revenue Code of 1986 as those codes have been and may from time to time be amended;  
31 and the term "employee tax" shall mean the tax imposed by § 1400 of the code of 1939, § 3101 of  
32 the code of 1954, and § 3101 of the code of 1986.

33 (11) "Federal Social Security Act", 42 U.S.C. § 301 et seq., shall mean the act of  
34 congress approved August 14, 1935, officially cited as the "Social Security Act", including any

1 amendments thereto, and any regulations, directives, or requirements interpretative or  
2 implementive thereof.

3 (12) "Part-time employment" shall mean any employment by those who work on a  
4 regularly scheduled basis regardless of hours.

5 (13) "Retirement board" shall mean the retirement board as provided in chapter 8 of this  
6 title.

7 (14) "Secretary", except when used in the title "secretary of the treasury", shall mean the  
8 secretary of health and human services and any individual to whom the secretary of health and  
9 human services has delegated any of his or her functions under the federal Social Security Act, 42  
10 U.S.C. § 301 et seq., with respect to coverage under that act of employees of states and their  
11 political subdivisions.

12 (15) "Sick pay" shall mean the amount of any payment (including any amount paid by an  
13 employer for insurance or annuities, or into a fund to provide for any sick pay) made to, or on  
14 behalf of, an employee or any of his or her dependents under a plan or system established by an  
15 employer which makes provision for his employees generally (or for his or her employees  
16 generally and their dependents) or for a class or classes of his employees (or for a class or classes  
17 of his employees and their dependents), on account of sickness or accident disability.

18 (16) "State" shall mean the state of Rhode Island.

19 (17) "Wages" or "salaries" shall mean all compensation received by an employee for  
20 employment as defined herein, including the cash value of all remuneration received by an  
21 employee in any medium other than cash, except that this term shall not include that part of the  
22 remuneration which, even if it were for "employment" within the meaning of the Federal  
23 Insurance Contributions Act, 26 U.S.C. § 3101 et seq., would not constitute "wages" within the  
24 meaning of that act.

25 SECTION 2. This article shall take effect upon passage.

## 26 **ARTICLE 10**

### 27 **RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2014**

28 SECTION 1. Subject to the conditions, limitations and restrictions hereinafter contained  
29 in this act, the following general revenue amounts are hereby appropriated out of any money in  
30 the treasury not otherwise appropriated to be expended during the fiscal year ending June 30,  
31 2014. The amounts identified for federal funds and restricted receipts shall be made available  
32 pursuant to section 35-4-22 and Chapter 41 of Title 42 of the Rhode Island General Laws. For the  
33 purposes and functions hereinafter mentioned, the state controller is hereby authorized and  
34 directed to draw his or her orders upon the general treasurer for the payment of such sums or such

1 portions thereof as may be required from time to time upon receipt by him or her of properly  
 2 authenticated vouchers.

	<b>FY 2014</b>	<b>FY 2014</b>	<b>FY 2014</b>	
	<u>Enacted</u>	<u>Change</u>	<u>Final</u>	
<b>Administration</b>				
<i>Central Management</i>				
7	General Revenues	2,111,597	339,878	2,451,475
8	Office of Digital Excellence	810,441	5,099	815,540
9	Federal Funds	194,591	(194,591)	0
10	Total - Central Management	3,116,629	150,386	3,267,015
<i>Legal Services</i>				
12	General Revenues	1,948,683	364,033	2,312,716
13	Total – Legal Services	1,948,683	364,033	2,312,716
<i>Accounts and Control</i>				
15	General Revenues	3,966,422	(93,883)	3,872,539
16	Total - Accounts and Control	3,966,422	(93,883)	3,872,539
<i>Office of Management and Budget</i>				
18	General Revenues	4,049,888	(108,988)	3,940,900
19	Restricted Receipts	481,303	(215,364)	265,939
20	Total – Office of Management and Budget	4,531,191	(324,352)	4,206,839
<i>Purchasing</i>				
22	General Revenues	2,689,542	143,779	2,833,321
23	Federal Funds	193,710	(115,403)	78,307
24	Other Funds	360,814	(45,523)	315,291
25	Total – Purchasing	3,244,066	(17,147)	3,226,919
<i>Auditing</i>				
27	General Revenues	1,344,585	16,669	1,361,254
28	Other Funds	0	25,000	25,000
29	Total – Auditing	1,344,585	41,669	1,386,254
<i>Human Resources</i>				
31	General Revenues	8,329,216	(67,831)	8,261,385
32	Federal Funds	808,123	(80,589)	727,534
33	Restricted Receipts	469,283	(36,684)	432,599
34	Other Funds	1,580,772	(49,414)	1,531,358

1	Total - Human Resources	11,187,394	(234,518)	10,952,876
2	<i>Personnel Appeal Board</i>			
3	General Revenues	75,036	0	75,036
4	Total – Personnel Appeal Board	75,036	0	75,036
5	<i>Facilities Management</i>			
6	General Revenues	32,198,875	(1,774,970)	30,423,905
7	Federal Funds	925,630	206,048	1,131,678
8	Restricted Receipts	616,083	(163,194)	452,889
9	Other Funds	3,696,513	(441,380)	3,255,133
10	Total – Facilities Management	37,437,101	(2,173,496)	35,263,605
11	<i>Capital Projects and Property Management</i>			
12	General Revenues	1,240,545	23,888	1,264,433
13	Total – Capital Projects and			
14	Property Management	1,240,545	23,888	1,264,433
15	<i>Information Technology</i>			
16	General Revenues	19,293,222	(214,943)	19,078,279
17	Federal Funds	7,135,490	(613,302)	6,522,188
18	Restricted Receipts	5,370,582	(234,387)	5,136,195
19	Other Funds	2,182,024	611,114	2,793,138
20	Total – Information Technology	33,981,318	(451,518)	33,529,800
21	<i>Library and Information Services</i>			
22	General Revenues	1,007,465	(4,060)	1,003,405
23	Federal Funds	1,183,126	186,031	1,369,157
24	Restricted Receipts	1,694	(1,041)	653
25	Total - Library and Information Services	2,192,285	180,930	2,373,215
26	<i>Planning</i>			
27	General Revenues	4,701,094	(17,377)	4,683,717
28	Federal Funds	10,935,098	4,094,745	15,029,843
29	Other Funds			
30	Federal Highway – PL Systems Planning	5,039,312	(1,311,824)	3,727,488
31	Air Quality Modeling	0	22,875	22,875
32	Total - Planning	20,675,504	2,788,419	23,463,923
33	<i>General</i>			
34	General Revenues			

1	<del>Economic Development Corporation</del>			
2	Rhode Island Commerce Corporation	4,545,572	0	4,545,572
3	<del>EDC</del> <u>RICC</u> – Airport Corporation Impact Aid	1,025,000	0	1,025,000
4	Sixty percent (60%) of the first one million dollars (\$1,000,000) appropriated for airport			
5	impact aid shall be distributed to each airport serving more than one million (1,000,000)			
6	passengers based upon its percentage of the total passengers served by all airports serving more			
7	than 1,000,000 passengers. Forty percent (40%) of the first one million dollars (\$1,000,000) shall			
8	be distributed based on the share of landings during the calendar year 2013 at North Central			
9	Airport, Newport-Middletown Airport, Block Island Airport, Quonset Airport, T.F. Green Airport			
10	and Westerly Airport, respectively. The <del>Economic Development Corporation</del> <u>Rhode Island</u>			
11	<u>Commerce Corporation</u> shall make an impact payment to the towns or cities in which the airport			
12	is located based on this calculation. Each community upon which any parts of the above airports			
13	are located shall receive at least twenty-five thousand dollars (\$25,000).			
14	<del>EDC</del> <u>RICC</u> – EPScore (Research Alliance)	1,150,000	0	1,150,000
15	Innovative Matching Grants	500,000	0	500,000
16	Miscellaneous Grants/Payments	146,049	0	146,049
17	Slater Centers of Excellence	1,000,000	0	1,000,000
18	Torts – Courts	400,000	0	400,000
19	Current Care/Health Information Exchange	450,000	0	450,000
20	I-195 Commission	501,000	674,679	1,175,679
21	RI Film and Television Office	310,747	(1,782)	308,965
22	State Employees/Teachers Retiree Health Subsidy	2,321,057	0	2,321,057
23	Resource Sharing and State Library Aid	8,773,398	0	8,773,398
24	Library Construction Aid	2,500,666	0	2,500,666
25	Federal Funds	4,345,555	0	4,345,555
26	Restricted Receipts	421,500	0	421,500
27	Rhode Island Capital Plan Funds			
28	Statehouse Renovations	1,879,000	(454,000)	1,425,000
29	DoIT Enterprise Operations Center	250,000	106,350	356,350
30	Cranston Street Armory	1,650,000	(724,456)	925,544
31	Cannon Building	650,000	288,987	938,987
32	Zambarano Building Rehabilitation	1,530,000	63,080	1,593,080
33	Pastore Center Rehab DOA Portion	1,155,000	1,362,000	2,517,000
34	Old State House	500,000	32,000	532,000

1	State Office Building	715,000	358,936	1,073,936
2	Old Colony House	175,000	187,605	362,605
3	William Powers Building	2,700,000	(200,000)	2,500,000
4	Fire Code Compliance State Buildings	500,000	(500,000)	0
5	Pastore Center Fire Code Compliance	1,691,596	(966,596)	725,000
6	Pastore Center Utility Systems Upgrade	2,745,789	(1,645,789)	1,100,000
7	Replacement of Fueling Tanks	300,000	350,000	650,000
8	Environmental Compliance	200,000	0	200,000
9	Big River Management Area	180,000	175,811	355,811
10	Pastore Center Building Demolition	2,400,000	(1,063,123)	1,336,877
11	Washington County Government Center	612,000	(152,000)	460,000
12	Veterans Memorial Auditorium	5,298,789	246,016	5,544,805
13	Chapin Health Laboratory	1,725,000	(1,425,000)	300,000
14	Pastore Center Parking	300,000	300,884	600,884
15	Pastore Center Water Tanks	300,000	0	300,000
16	Board of Elections New Location	1,250,000	(1,250,000)	0
17	Pastore Cottages Rehab	800,000	(177,672)	622,328
18	Ladd Center Building Demolition	1,500,000	228,208	1,728,208
19	I-195 Commission	250,000	30,789	280,789
20	RI Convention Center Authority	1,000,000	58,531	1,058,531
21	Dunkin Donuts Center	925,000	0	925,000
22	Mathias 1,600,000	(350,000)	1,250,000	
23	Pastore Center Power Plant	1,600,000	0	1,600,000
24	Virks 1,000,000	(700,000)	300,000	
25	Harrington Hall Renovations	1,000,000	180,000	1,180,000
26	Veterans Land Purchase	4,150,000	0	4,150,000
27	Health Laboratory Feasibility Study	0	111,892	111,892
28	Zambarano Wood Chip Boiler	0	32,838	32,838
29	Ladd Rubble Pile	0	45,000	45,000
30	Provided that the cost for the land purchase shall not exceed \$70.00 per square foot.			
31	Total – General	70,922,718	(4,776,812)	66,145,906

32 *Debt Service Payments*

33	General Revenues	157,387,801	(3,188,408)	154,199,393
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34 Of the general revenue appropriation for debt service, two million five hundred thousand

1	dollars (\$2,500,000) is appropriated for transfer to the Capital Reserve Fund of the <del>EDC</del> <a href="#">RICC</a>			
2	Job Creation Guaranty program.			
3	Federal Funds	2,759,328	(91,929)	2,667,399
4	Restricted Receipts	2,131,275	(46,026)	2,085,249
5	Other Funds			
6	Transportation Debt Service	30,369,820	116,868	30,486,688
7	Investment Receipts – Bond Funds	100,000	0	100,000
8	COPS - DLT Building – TDI	278,848	(7,195)	271,653
9	Total - Debt Service Payments	193,027,072	(3,216,690)	189,810,382
10	<i>Energy Resources</i>			
11	Federal Funds	590,080	(18,915)	571,165
12	Federal Funds – Stimulus	5,150,000	560,235	5,710,235
13	Restricted Receipts	5,459,477	183,062	5,642,539
14	Total – Energy Resources	11,199,557	724,382	11,923,939
15	<i>Rhode Island Health Benefits Exchange</i>			
16	Federal Funds	28,348,926	24,079,750	52,428,676
17	Total - Rhode Island Health Benefits			
18	Exchange	28,348,926	24,079,750	52,428,676
19	<i>Construction Permitting, Approvals and Licensing</i>			
20	General Revenues	1,421,350	70,225	1,491,575
21	Restricted Receipts	1,408,159	(12,172)	1,395,987
22	Total – Construction Permitting, Approvals and			
23	Licensing	2,829,509	58,053	2,887,562
24	<i>Personnel Savings</i>			
25	General Revenues	(1,398,040)	1,134,452	(263,588)
26	Federal Funds	(379,988)	316,875	(63,113)
27	Restricted Receipts	(446,548)	416,848	(29,700)
28	Other Funds	(342,628)	331,490	(11,138)
29	Total – Personnel Savings	(2,567,204)	2,199,665	(367,539)
30	Grand Total – Administration	428,701,337	19,322,759	448,024,096
31	<b>Business Regulation</b>			
32	<i>Central Management</i>			
33	General Revenues	1,197,671	23,727	1,221,398
34	Total – Central Management	1,197,671	23,727	1,221,398

1	<i>Banking Division</i>			
2	General Revenues	1,715,225	(197,531)	1,517,694
3	Restricted Receipts	125,000	(75,000)	50,000
4	Total – Banking Division	1,840,225	(272,531)	1,567,694
5	<i>Securities Regulation</i>			
6	General Revenues	980,090	(44,942)	935,148
7	Restricted Receipts	15,000	(11,500)	3,500
8	Total - Securities Regulation	995,090	(56,442)	938,648
9	<i>Insurance Regulation</i>			
10	General Revenues	3,767,883	15,069	3,782,952
11	Restricted Receipts	1,345,584	(62,844)	1,282,740
12	Total - Insurance Regulation	5,113,467	(47,775)	5,065,692
13	<i>Office of the Health Commissioner</i>			
14	General Revenues	542,180	(42,005)	500,175
15	Federal Funds	1,747,589	2,210,905	3,958,494
16	Restricted Receipts	10,500	0	10,500
17	Total – Office of the Health Commissioner	2,300,269	2,168,900	4,469,169
18	<i>Board of Accountancy</i>			
19	General Revenues	81,034	(64,380)	16,654
20	Total – Board of Accountancy	81,034	(64,380)	16,654
21	<i>Commercial Licensing, Racing &amp; Athletics</i>			
22	General Revenues	707,941	(123,246)	584,695
23	Restricted Receipts	500,329	56,287	556,616
24	Total - Commercial Licensing, Racing &			
25	Athletics	1,208,270	(66,959)	1,141,311
26	<i>Board for Design Professionals</i>			
27	General Revenues	253,854	2,360	256,214
28	Total – Board for Design Professionals	253,854	2,360	256,214
29	Grand Total - Business Regulation	12,989,880	1,686,900	14,676,780
30	<b>Labor and Training</b>			
31	<i>Central Management</i>			
32	General Revenues	118,760	(27,682)	91,078
33	Restricted Receipts	342,730	244,280	587,010
34	Rhode Island Capital Plan Funds			

1	Center General Building Roof	0	751,412	751,412
2	Center General Asset Protection	702,000	(86,931)	615,069
3	Total - Central Management	1,163,490	881,079	2,044,569
4	<i>Workforce Development Services</i>			
5	General Funds	1,250,000	(825)	1,249,175
6	Federal Funds	22,942,484	6,974,518	29,917,002
7	Restricted Receipts	9,134,984	3,327,267	12,462,251
8	Other Funds	0	40,250	40,250
9	Total - Workforce Development Services	33,327,468	10,341,210	43,668,678
10	<i>Workforce Regulation and Safety</i>			
11	General Revenues	3,002,408	2,325	3,004,733
12	Total – Workforce Regulation and Safety	3,002,408	2,325	3,004,733
13	<i>Income Support</i>			
14	General Revenues	4,299,157	17,344	4,316,501
15	Federal Funds	17,957,752	11,059,374	29,017,126
16	Federal Funds – Stimulus – UI	54,810,000	(14,677,519)	40,132,481
17	Restricted Receipts	2,008,358	138,480	2,146,838
18	Job Development Fund	22,500,000	8,605,360	31,105,360
19	Other Funds			
20	Temporary Disability Insurance Fund	172,549,295	8,513,122	181,062,417
21	Employment Security Fund	271,329,801	(29,212,784)	242,117,017
22	Total - Income Support	545,454,363	(15,556,623)	529,897,740
23	<i>Injured Workers Services</i>			
24	Restricted Receipts	9,139,647	(198,616)	8,941,031
25	Total – Injured Workers Services	9,139,647	(198,616)	8,941,031
26	<i>Labor Relations Board</i>			
27	General Revenues	393,736	(7,204)	386,532
28	Total - Labor Relations Board	393,736	(7,204)	386,532
29	Grand Total - Labor and Training	592,481,112	(4,537,829)	587,943,283
30	<b>Department of Revenue</b>			
31	<i>Director of Revenue</i>			
32	General Revenues	1,222,847	(111,184)	1,111,663
33	Total – Director of Revenue	1,222,847	(111,184)	1,111,663
34	<i>Office of Revenue Analysis</i>			

1	General Revenues	528,721	(8,284)	520,437
2	Total – Office of Revenue Analysis	528,721	(8,284)	520,437
3	<i>Lottery Division</i>			
4	Lottery Funds	245,451,858	89,310,926	334,762,784
5	Rhode Island Capital Plan Funds			
6	Lottery Building Renovations	0	306,750	306,750
7	Total – Lottery Division	245,451,858	89,617,676	335,069,534
8	<i>Municipal Finance</i>			
9	General Revenues	2,351,173	(326,580)	2,024,593
10	Total – Municipal Finance	2,351,173	(326,580)	2,024,593
11	<i>Taxation</i>			
12	General Revenues	18,027,851	(442,343)	17,585,508
13	Federal Funds	1,261,962	23,582	1,285,544
14	Restricted Receipts	849,626	22,433	872,059
15	Other Funds			
16	Motor Fuel Tax Evasion	43,232	0	43,232
17	Temporary Disability Insurance	916,617	29,364	945,981
18	Total – Taxation	21,099,288	(366,964)	20,732,324
19	<i>Registry of Motor Vehicles</i>			
20	General Revenues	18,895,421	89,185	18,984,606
21	Federal Funds	1,786,689	938,517	2,725,206
22	Restricted Receipts	14,763	2,185,833	2,200,596
23	Rhode Island Capital Plan Funds			
24	Safety & Emissions Lift Replacement	150,000	150,000	300,000
25	Total – Registry of Motor Vehicles	20,846,873	3,363,535	24,210,408
26	<i>State Aid</i>			
27	General Revenue			
28	Distressed Communities Relief Fund	10,384,458	0	10,384,458
29	Payment in Lieu of Tax Exempt Properties	35,080,409	0	35,080,409
30	Motor Vehicle Excise Tax Payments	10,000,000	0	10,000,000
31	Property Revaluation Program	516,615	(55,999)	460,616
32	Municipal Aid	5,000,000	0	5,000,000
33	Restricted Receipts	957,497	(48,514)	908,983
34	Total – State Aid	61,938,979	(104,513)	61,834,466

1	Grand Total – Revenue	353,439,739	92,063,686	445,503,425
2	<b>Legislature</b>			
3	General Revenues	36,186,933	2,467,284	38,654,217
4	Restricted Receipts	1,604,615	(36,615)	1,568,000
5	Grand Total – Legislature	37,791,548	2,430,669	40,222,217
6	<b>Lieutenant Governor</b>			
7	General Revenues	986,890	(40,389)	946,501
8	Federal Funds	1,108,488	485,836	1,594,324
9	Restricted Receipts	0	135,000	135,000
10	Grand Total - Lieutenant Governor	2,095,378	580,447	2,675,825
11	<b>Secretary of State</b>			
12	<i>Administration</i>			
13	General Revenues	2,078,542	130,070	2,208,612
14	Total – Administration	2,078,542	130,070	2,208,612
15	<i>Corporations</i>			
16	General Revenues	2,152,424	134,404	2,286,828
17	Total – Corporations	2,152,424	134,404	2,286,828
18	<i>State Archives</i>			
19	General Revenues	131,705	(60,564)	71,141
20	Restricted Receipts	449,931	56,482	506,413
21	Total - State Archives	581,636	(4,082)	577,554
22	<i>Elections &amp; Civics</i>			
23	General Revenues	1,162,821	(264,015)	898,806
24	Federal Funds	0	50,163	50,163
25	Total – Elections & Civics	1,162,821	(213,852)	948,969
26	<i>State Library</i>			
27	General Revenues	611,318	(93,230)	518,088
28	Total – State Library	611,318	(93,230)	518,088
29	<i>Office of Public Information</i>			
30	General Revenues	361,023	133,071	494,094
31	Restricted Receipts	5,000	8,431	13,431
32	Total – Office of Public Information	366,023	141,502	507,525
33	Grand Total – Secretary of State	6,952,764	94,812	7,047,576
34	<b>General Treasurer</b>			

1	<i>Treasury</i>			
2	General Revenues	2,471,194	(52,024)	2,419,170
3	Federal Funds	293,099	(21,821)	271,278
4	Restricted Receipts	40,000	246	40,246
5	Other Funds			
6	Temporary Disability Insurance Fund	228,923	(18,646)	210,277
7	Total – Treasury	3,033,216	(92,245)	2,940,971
8	<i>State Retirement System</i>			
9	Restricted Receipts			
10	Admin Expenses - State Retirement System	10,256,532	(421,569)	9,834,963
11	Retirement - Treasury Investment Operations	1,162,562	(112,654)	1,049,908
12	Defined Contribution – Administration	246,971	8,918	255,889
13	Total - State Retirement System	11,666,065	(525,305)	11,140,760
14	<i>Unclaimed Property</i>			
15	Restricted Receipts	18,559,092	4,688,073	23,247,165
16	Total – Unclaimed Property	18,559,092	4,688,073	23,247,165
17	<i>Crime Victim Compensation Program</i>			
18	General Revenues	183,498	14,649	198,147
19	Federal Funds	837,323	(257,572)	579,751
20	Restricted Receipts	1,128,267	25,045	1,153,312
21	Total - Crime Victim Compensation Program	2,149,088	(217,878)	1,931,210
22	Grand Total – General Treasurer	35,407,461	3,852,645	39,260,106
23	<b>Board of Elections</b>			
24	General Revenues	1,589,361	21,044	1,610,405
25	Public Financing of General Elections	150,000	0	150,000
26	Grand Total - Board of Elections	1,739,361	21,044	1,760,405
27	<b>Rhode Island Ethics Commission</b>			
28	General Revenues	1,577,204	(1,264)	1,575,940
29	Grand Total - Rhode Island Ethics Commission	1,577,204	(1,264)	1,575,940
30	<b>Office of Governor</b>			
31	General Revenues	4,193,513	(25,867)	4,167,646
32	Contingency Fund	250,000	196,428	446,428
33	Grand Total – Office of Governor	4,443,513	170,561	4,614,074
34	<b>Commission for Human Rights</b>			

1	General Revenues	1,150,785	(4,719)	1,146,066
2	Federal Funds	308,638	8,729	317,367
3	Grand Total - Commission for Human Rights	1,459,423	4,010	1,463,433
4	<b>Public Utilities Commission</b>			
5	Federal Funds	90,574	0	90,574
6	Federal Funds – Stimulus	76,244	38,238	114,482
7	Restricted Receipts	8,253,475	60,396	8,313,871
8	Grand Total - Public Utilities Commission	8,420,293	98,634	8,518,927
9	<b>Office of Health and Human Services</b>			
10	<i>Central Management</i>			
11	General Revenues	27,699,190	11,206	27,710,396
12	Federal Funds	88,057,656	9,876,555	97,934,211
13	Federal Funds – Stimulus	537,780	0	537,780
14	Restricted Receipts	982,284	(15,215)	967,069
15	Total – Central Management	117,276,910	9,872,546	127,149,456
16	<i>Medical Assistance</i>			
17	General Revenues			
18	Managed Care	281,682,858	(2,118,545)	279,564,313
19	Hospitals	107,499,737	(9,822,158)	97,677,579
20	Of this amount, \$5,482,009 is for the outpatient upper payment limit reimbursement.			
21	Nursing Facilities	179,263,818	(37,507,018)	141,756,800
22	Home and Community Based Services	48,645,073	(9,857,873)	38,787,200
23	Other Services	44,013,672	(74,751)	43,938,921
24	Pharmacy	51,721,344	7,759	51,729,103
25	Rhody Health	100,701,958	59,177,987	159,879,945
26	Affordable Care Act Transition Program	2,000,000	(1,000,000)	1,000,000
27	Federal Funds			
28	Managed Care	311,563,733	(128,046)	311,435,687
29	Hospitals	111,449,104	(9,980,627)	101,468,477
30	Of this amount, \$5,570,428 is for the outpatient upper payment limit reimbursement.			
31	Nursing Facilities	182,155,169	(38,111,969)	144,043,200
32	Home and Community Based Services	49,429,970	(10,017,170)	39,412,800
33	Other Services	150,655,199	(6,310,320)	144,344,879
34	Pharmacy	243,742	(464,485)	(220,743)

1	Rhody Health	101,617,845	62,802,210	164,420,055
2	Special Education	19,000,000	0	19,000,000
3	Restricted Receipts	9,015,000	0	9,015,000
4	Total - Medical Assistance	1,750,658,222	(3,405,006)	1,747,253,216
5	Grand Total – Office of Health and			
6	Human Services	1,867,935,132	6,467,540	1,874,402,672
7	<b>Children, Youth, and Families</b>			
8	<i>Central Management</i>			
9	General Revenues	4,911,020	(297,451)	4,613,569
10	Federal Funds	2,155,735	107,297	2,263,032
11	Restricted Receipts	34,991	(34,991)	0
12	Total - Central Management	7,101,746	(225,145)	6,876,601
13	<i>Children's Behavioral Health Services</i>			
14	General Revenues	4,491,441	2,073,802	6,565,243
15	Federal Funds	5,572,682	1,415,666	6,988,348
16	Rhode Island Capital Plan Funds			
17	NAFI Center	280,000	114,806	394,806
18	Mt. Hope Building Facade	275,000	(275,000)	0
19	Fire Towers	0	137,500	137,500
20	Various Repairs and Improvements to YDC	0	355,000	355,000
21	Total - Children's Behavioral Health			
22	Services	10,619,123	3,821,774	14,440,897
23	<i>Juvenile Correctional Services</i>			
24	General Revenues	26,877,697	(2,372,381)	24,505,316
25	Federal Funds	330,645	(30,031)	300,614
26	Federal Funds – Stimulus	4,270	22,109	26,379
27	Rhode Island Capital Plan Funds			
28	Thomas C. Slater Training School			
29	Maintenance Building	535,000	(200,000)	335,000
30	Vocational Building – RITS	0	265,770	265,770
31	Generators – Rhode Island Training School	0	213,837	213,837
32	Total - Juvenile Correctional Services	27,747,612	(2,100,696)	25,646,916
33	<i>Child Welfare</i>			
34	General Revenues	105,380,058	255,950	105,636,008

1	18 to 21 Year Olds	11,116,775	(296,585)	10,820,190
2	Federal Funds	46,003,996	1,571,835	47,575,831
3	18 to 21 Year Olds	2,239,970	(493,973)	1,745,997
4	Federal Funds – Stimulus	385,107	61,233	446,340
5	Restricted Receipts	2,579,179	(130,429)	2,448,750
6	Rhode Island Capital Plan Funds			
7	Fire Code Upgrades	500,000	(225,000)	275,000
8	Total - Child Welfare	168,205,085	743,031	168,948,116
9	<i>Higher Education Incentive Grants</i>			
10	General Revenues	200,000	0	200,000
11	Total – Higher Education Incentive Grants	200,000	0	200,000
12	Grand Total - Children, Youth, and Families	213,873,566	2,238,964	216,112,530
13	<b>Health</b>			
14	<i>Central Management</i>			
15	General Revenues	544,959	(4,534)	540,425
16	Federal Funds	8,645,598	(877,478)	7,768,120
17	Restricted Receipts	4,239,580	(496,226)	3,743,354
18	Total - Central Management	13,430,137	(1,378,238)	12,051,899
19	<i>State Medical Examiner</i>			
20	General Revenues	2,365,037	(10,236)	2,354,801
21	Federal Funds	163,940	(22,604)	141,336
22	Total - State Medical Examiner	2,528,977	(32,840)	2,496,137
23	<i>Environmental and Health Services Regulation</i>			
24	General Revenues	9,491,266	(149,084)	9,342,182
25	Federal Funds	5,856,356	539,335	6,395,691
26	Restricted Receipts	4,199,254	(610,785)	3,588,469
27	Total - Environmental and Health Services			
28	Regulation	19,546,876	(220,534)	19,326,342
29	<i>Health Laboratories</i>			
30	General Revenues	6,199,240	(132,018)	6,067,222
31	Federal Funds	1,492,480	706,450	2,198,930
32	Federal Funds – Stimulus	0	6,500	6,500
33	Total - Health Laboratories	7,691,720	580,932	8,272,652
34	<i>Public Health Information</i>			

1	General Revenues	1,524,091	13,552	1,537,643
2	Federal Funds	847,574	1,857,068	2,704,642
3	Federal Funds – Stimulus	97,959	76,067	174,026
4	Total – Public Health Information	2,469,624	1,946,687	4,416,311
5	<i>Community and Family Health and Equity</i>			
6	General Revenues	2,448,286	82,911	2,531,197
7	Federal Funds	41,420,480	(4,171,236)	37,249,244
8	Federal Funds - Stimulus	382,645	(16,418)	366,227
9	Restricted Receipts	26,194,072	(1,020,877)	25,173,195
10	Other Funds			
11	Safe and Active Commuting	35,310	93,752	129,062
12	Total – Community and Family Health			
13	and Equity	70,480,793	(5,031,868)	65,448,925
14	<i>Infectious Disease and Epidemiology</i>			
15	General Revenues	1,735,122	(113,977)	1,621,145
16	Federal Funds	3,097,510	1,293,208	4,390,718
17	Restricted Receipts	0	5,995	5,995
18	Total – Infectious Disease and Epidemiology	4,832,632	1,185,226	6,017,858
19	Grand Total – Health	120,980,759	(2,950,635)	118,030,124
20	<b>Human Services</b>			
21	<i>Central Management</i>			
22	General Revenues	5,543,121	(54,037)	5,489,084
23	Federal Funds	5,244,172	(960,068)	4,284,104
24	Restricted Receipts	414,962	107,580	522,542
25	Total - Central Management	11,202,255	(906,525)	10,295,730
26	<i>Child Support Enforcement</i>			
27	General Revenues	2,370,212	(6,365)	2,363,847
28	Federal Funds	6,095,358	(153,076)	5,942,282
29	Total – Child Support Enforcement	8,465,570	(159,441)	8,306,129
30	<i>Individual and Family Support</i>			
31	General Revenues	20,922,405	3,723,397	24,645,802
32	Federal Funds	133,591,509	(3,691,527)	129,899,982
33	Federal Funds – Stimulus	0	11,748,163	11,748,163
34	Restricted Receipts	7,352,671	(2,624,675)	4,727,996

1	Rhode Island Capital Plan Fund			
2	Blind Vending Facilities	165,000	18,083	183,083
3	Intermodal Surface Transportation Fund	4,165,364	567,561	4,732,925
4	Food Stamp Bonus Funding	150,000	110,000	260,000
5	Total - Individual and Family Support	166,346,949	9,851,002	176,197,951
6	<i>Veterans' Affairs</i>			
7	General Revenues	20,993,993	(1,155,505)	19,838,488
8	Federal Funds	7,678,815	1,405,161	9,083,976
9	Restricted Receipts	1,467,376	266,764	1,734,140
10	Total - Veterans' Affairs	30,140,184	516,420	30,656,604
11	<i>Health Care Eligibility</i>			
12	General Revenues	8,141,377	(75,646)	8,065,731
13	Federal Funds	11,060,155	(574,912)	10,485,243
14	Total - Health Care Eligibility	19,201,532	(650,558)	18,550,974
15	<i>Supplemental Security Income Program</i>			
16	General Revenues	18,234,514	206,996	18,441,510
17	Total - Supplemental Security Income			
18	Program	18,234,514	206,996	18,441,510
19	<i>Rhode Island Works</i>			
20	General Revenues - Child Care	9,668,635	0	9,668,635
21	Federal Funds	80,298,745	(2,087,360)	78,211,385
22	Total – Rhode Island Works	89,967,380	(2,087,360)	87,880,020
23	<i>State Funded Programs</i>			
24	General Revenues			
25	General Public Assistance	1,906,800	108,800	2,015,600
26	Of this appropriation, \$210,000 shall be used for hardship contingency payments.			
27	Federal Funds	298,637,602	2,450,176	301,087,778
28	Total - State Funded Programs	300,544,402	2,558,976	303,103,378
29	<i>Elderly Affairs</i>			
30	General Revenues	5,522,367	383,690	5,906,057
31	RIPAE 174,484	0	174,484	
32	Care and Safety of the Elderly	1,287	(329)	958
33	Federal Funds	11,761,746	243,182	12,004,928
34	Restricted Receipts	527,491	(378,323)	149,168

1	Total – Elderly Affairs	17,987,375	248,220	18,235,595
2	Grand Total - Human Services	662,090,161	9,577,730	671,667,891
3	<b>Behavioral Health, Developmental Disabilities, and Hospitals</b>			
4	<i>Central Management</i>			
5	General Revenues	816,045	159,398	975,443
6	Federal Funds	429,446	119,963	549,409
7	Total - Central Management	1,245,491	279,361	1,524,852
8	<i>Hospital and Community System Support</i>			
9	General Revenues	1,592,216	(12,399)	1,579,817
10	Restricted Receipts	734,152	182,570	916,722
11	Rhode Island Capital Plan Funds			
12	Medical Center Rehabilitation	925,000	(75,000)	850,000
13	Community Facilities Fire Code	325,000	75,000	400,000
14	Total - Hospital and Community System			
15	Support	3,576,368	170,171	3,746,539
16	<i>Services for the Developmentally Disabled</i>			
17	General Revenues	109,467,984	519,665	109,987,649
18	Federal Funds	112,094,959	815,775	112,910,734
19	Restricted Receipts	1,652,750	306,700	1,959,450
20	Rhode Island Capital Plan Funds			
21	DD Private Waiver	225,431	(40,866)	184,565
22	Regional Center Repair/Rehabilitation	400,000	(50,000)	350,000
23	MR Community Facilities/Access to Independence	500,000	118,863	618,863
24	Total - Services for the Developmentally			
25	Disabled	224,341,124	1,670,137	226,011,261
26	<i>Behavioral Healthcare Services</i>			
27	General Revenues	39,670,207	(294,255)	39,375,952
28	Federal Funds	53,105,582	4,107,101	57,212,683
29	Federal Funds – Stimulus	232,500	(232,500)	0
30	Restricted Receipts	125,000	0	125,000
31	Rhode Island Capital Plan Funds			
32	MH Community Facilities Repair	225,000	95,000	320,000
33	MH Housing Development-Thresholds	800,000	0	800,000
34	Substance Abuse Asset Production	125,000	(25,000)	100,000

1	Total – Behavioral Healthcare Services	94,283,289	3,650,346	97,933,635
2	<i>Hospital and Community Rehabilitative Services</i>			
3	General Revenues	50,544,930	(1,528,714)	49,016,216
4	Federal Funds	51,897,236	(2,687,441)	49,209,795
5	Restricted Receipts	4,884,970	1,665,298	6,550,268
6	Rhode Island Capital Plan Funds			
7	Zambarano Buildings and Utilities	150,000	0	150,000
8	Hospital Consolidation	3,000,000	(1,400,000)	1,600,000
9	BHDDH Administrative Buildings	3,000,000	140,000	3,140,000
10	MR Community Facilities	925,000	89,831	1,014,831
11	Total - Hospital and Community			
12	Rehabilitative Services	114,402,136	(3,721,026)	110,681,110
13	Grand Total – Behavioral Healthcare,			
14	Developmental Disabilities, and Hospitals	437,848,408	2,048,989	439,897,397
15	<b>Office of the Child Advocate</b>			
16	General Revenues	608,651	(33,174)	575,477
17	Federal Funds	39,997	10,003	50,000
18	Grand Total – Office of the Child Advocate			
19	<b>Commission on the Deaf and Hard of Hearing</b>			
20	General Revenues	391,609	(2,342)	389,267
21	Restricted Receipts	80,000	0	80,000
22	Grand Total – Com. on Deaf and Hard of			
23	Hearing	471,609	(2,342)	469,267
24	<b>Governor's Commission on Disabilities</b>			
25	General Revenues	357,711	(1,359)	356,352
26	Federal Funds	129,989	26,341	156,330
27	Restricted Receipts	10,365	5,565	15,930
28	Rhode Island Capital Plan Funds			
29	Accessibility to Disability Service Provider	247,938	(247,938)	0
30	Accessibility Fire Safety Renovations	115,833	(115,833)	0
31	Accessibility to Higher Education	593,500	(593,500)	0
32	Handicapped Accessibility	0	957,000	957,000
33	Grand Total - Governor's Commission on			
34	Disabilities	1,455,336	30,276	1,485,612

1	<b>Office of the Mental Health Advocate</b>			
2	General Revenues	486,144	(2,428)	483,716
3	Grand Total - Office of the Mental			
4	Health Advocate	486,144	(2,428)	483,716
5	<b>Elementary and Secondary Education</b>			
6	<i>Administration of the Comprehensive Education Strategy</i>			
7	General Revenues	19,826,703	(237,487)	19,589,216
8	Federal Funds	192,856,736	5,787,982	198,644,718
9	Federal Funds – Stimulus	19,956,823	(3,015,906)	16,940,917
10	RTTT LEA Share	11,022,400	210,345	11,232,745
11	Restricted Receipts	1,400,286	(216,874)	1,183,412
12	HRIC Adult Education Grants	3,800,000	0	3,800,000
13	Rhode Island Capital Plan Funds			
14	State-Owned Cranston	872,583	0	872,583
15	State-Owned East Providence	175,000	0	175,000
16	State-Owned Warwick	500,000	35,040	535,040
17	State-Owned Woonsocket	1,575,000	(1,375,000)	200,000
18	Total – Administration of the Comprehensive			
19	Education Strategy	251,985,531	1,188,100	253,173,631
20	<i>Davies Career and Technical School</i>			
21	General Revenues	12,792,048	0	12,792,048
22	Federal Funds	1,384,139	(16,880)	1,367,259
23	Federal Funds – Stimulus	123,877	42,137	166,014
24	Restricted Receipts	2,564,848	353,003	2,917,851
25	Rhode Island Capital Plan Funds			
26	Davies HVAC	830,271	192,265	1,022,536
27	Davies Asset Protection	95,000	1,131,038	1,226,038
28	Davies School Roof Repairs	0	330,000	330,000
29	Total - Davies Career and Technical School	17,790,183	2,031,563	19,821,746
30	<i>RI School for the Deaf</i>			
31	General Revenues	6,070,194	(165,622)	5,904,572
32	Federal Funds	281,867	24,488	306,355
33	Federal Funds – Stimulus	120,812	45,732	166,544
34	Restricted Receipts	300,000	233,629	533,629

1	Other Funds	0	59,000	59,000
2	Total - RI School for the Deaf	6,772,873	197,227	6,970,100
3	<i>Metropolitan Career and Technical School</i>			
4	General Revenues	11,085,049	0	11,085,049
5	Rhode Island Capital Plan Funds			
6	MET School East Bay	2,580,000	2,902,642	5,482,642
7	MET Asset Protection	100,000	0	100,000
8	MET School HVAC	833,333	506,010	1,339,343
9	Total – Metropolitan Career and Technical			
10	School	14,598,382	3,408,652	18,007,034
11	<i>Education Aid</i>			
12	General Revenues	724,892,567	(90,130)	724,802,437
13	Restricted Receipts	19,593,382	(2,034,382)	17,559,000
14	Permanent School Fund – Education Aid	300,000	(59,000)	241,000
15	Total – Education Aid	744,785,949	(2,183,512)	742,602,437
16	<i>Central Falls School District</i>			
17	General Revenues	38,399,591	0	38,399,591
18	Total – Central Falls School District	38,399,591	0	38,399,591
19	<i>Housing Aid</i>			
20	General Revenues	69,949,504	(2,286,468)	67,663,036
21	Total – Housing Aid	69,949,504	(2,286,468)	67,663,036
22	<i>Teachers' Retirement</i>			
23	General Revenues	81,691,253	(799,316)	80,891,937
24	Total – Teachers' Retirement	81,691,253	(799,316)	80,891,937
25	Grand Total - Elementary and Secondary			
26	Education	1,225,973,266	1,556,246	1,227,529,512
27	<b>Public Higher Education</b>			
28	<del><i>Board of Governors/Office of Higher Education</i></del>			
29	<u><i>Office of Postsecondary Commissioner</i></u>			
30	General Revenues	4,994,523	(3,951)	4,990,572
31	Federal Funds	6,190,306	(1,158,112)	5,032,194
32	Total - <del>Board of Governors/Office of</del>			
33	<del>Higher Education</del> <u>Office of</u>			
34	<u>Postsecondary Commissioner</u>	11,184,829	(1,162,063)	10,022,766

1 *University of Rhode Island*

2 General Revenues

3 General Revenues 64,086,076 (122,375) 63,963,701

4 The University of Rhode Island shall maintain tuition charges in the 2013 – 2014 academic  
5 year at the same level as the 2012 – 2013 academic year. The University shall not decrease  
6 internal student financial aid in the 2013 – 2014 academic year below the level of the 2012 –  
7 2013 academic year. The President of the institution shall report, prior to the commencement of  
8 the 2013 – 2014 academic year, to the chair of the Rhode Island Board of Education that such  
9 tuition charges and student aid levels have been achieved at the start of FY 2014 as prescribed  
10 above.

11 Debt Service 20,585,263 (233,333) 20,351,930

12 State Crime Lab 1,027,327 (3,781) 1,023,546

13 University and College Funds

14 University and College Funds 600,530,024 5,674,407 606,204,431

15 Debt – Dining Services 1,160,911 (45,246) 1,115,665

16 Debt – Education and General 3,304,053 (122,041) 3,182,012

17 Debt – Health Services 152,595 (16,413) 136,182

18 Debt – Housing Loan Funds 11,049,281 (362,824) 10,686,457

19 Debt – Memorial Union 301,628 3,980 305,608

20 Debt – Ryan Center 2,798,704 5,367 2,804,071

21 Debt – Alton Jones Services 115,305 157 115,462

22 Debt - Parking Authority 1,040,836 (95,810) 945,026

23 Debt – Sponsored Research (Ind. Cost) 100,238 (16,201) 84,037

24 Debt – Energy Conservation 2,905,496 (501,296) 2,404,200

25 Rhode Island Capital Plan Funds

26 Asset Protection 7,357,500 0 7,357,500

27 Fire and Safety Protection 10,100,000 0 10,100,000

28 Nursing Education Center 2,500,000 (700,000) 1,800,000

29 New Chemistry Building 0 682,510 682,510

30 Fire Arts Center Advanced Planning 0 55,231 55,231

31 Total – University of Rhode Island 729,115,237 4,202,332 733,317,569

32 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or  
33 unencumbered balances as of June 30, 2014 relating to the University of Rhode Island are hereby  
34 reappropriated to fiscal year 2015.

1 *Rhode Island College*

2 General Revenues

3 General Revenues 39,004,298 (114,389) 38,889,909

4 Rhode Island College shall maintain tuition charges in the 2013 – 2014 academic year at the  
5 same level as the 2012 – 2013 academic year. The College shall not decrease internal student  
6 financial aid in the 2013 – 2014 academic year below the level of the 2012 – 2013 academic year.  
7 The President of the institution shall report, prior to the commencement of the 2013 – 2014  
8 academic year, to the chair of the Rhode Island Board of Education that such tuition charges and  
9 student aid levels have been achieved at the start of FY 2014 as prescribed above.

10 Debt Service 3,887,576 (245,333) 3,642,243

11 University and College Funds

12 University and College Funds 110,482,163 (279,282) 110,202,881

13 Debt – Education and General 886,640 0 886,640

14 Debt – Housing 2,050,004 0 2,050,004

15 Debt – Student Center and Dining 172,078 0 172,078

16 Debt – Student Union 234,113 0 234,113

17 Debt – G.O. Debt Service 1,638,017 0 1,638,017

18 Rhode Island Capital Plan Funds

19 Asset Protection 2,843,250 407,491 3,250,741

20 Infrastructure Modernization 5,000,000 871,317 5,871,317

21 New Art Center Advance Planning 0 103,162 103,162

22 Total – Rhode Island College 166,198,139 742,966 166,941,105

23 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or  
24 unencumbered balances as of June 30, 2014 relating to Rhode Island College are hereby  
25 reappropriated to fiscal year 2015.

26 *Community College of Rhode Island*

27 General Revenues

28 General Revenues 44,589,076 (155,790) 44,433,286

29 The Community College of Rhode Island College shall maintain tuition charges in the 2013  
30 – 2014 academic year at the same level as the 2012 – 2013 academic year. The Community  
31 College shall not decrease internal student financial aid in the 2013 – 2014 academic year below  
32 the level of the 2012 – 2013 academic year. The President of the institution shall report, prior to  
33 the commencement of the 2013 – 2014 academic year, to the chair of the Rhode Island Board of  
34 Education that such tuition charges and student aid levels have been achieved at the start of FY

1	2014 as prescribed above.			
2	Debt Service	1,839,656	0	1,839,656
3	Restricted Receipts	702,583	0	702,583
4	University and College Funds			
5	University and College Funds	100,333,007	2,102,805	102,435,812
6	Debt – Bookstore	28,443	0	28,443
7	CCRI Debt Service – Energy Conservation	1,289,480	(483,555)	805,925
8	Rhode Island Capital Plan Funds			
9	Asset Protection	2,093,500	0	2,093,500
10	Knight Campus Renewal	125,000	0	125,000
11	Total – Community College of RI	151,000,745	1,463,460	152,464,205
12	Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or			
13	unencumbered balances as of June 30, 2014 relating to the Community College of Rhode Island			
14	are hereby reappropriated to fiscal year 2015.			
15	Grand Total – Public Higher Education	1,057,498,950	5,246,695	1,062,745,645
16	<b>RI State Council on the Arts</b>			
17	General Revenues			
18	Operating Support	423,973	(18,039)	405,934
19	Grants 911,657	0	911,657	
20	Federal Funds	797,329	(649)	796,680
21	Other Funds			
22	Arts for Public Facilities	632,536	0	632,536
23	Grand Total - RI State Council on the Arts	2,765,495	(18,688)	2,746,807
24	<b>RI Atomic Energy Commission</b>			
25	General Revenues	861,710	(4,940)	856,770
26	Federal Funds	267,044	(206,320)	60,724
27	Other Funds			
28	URI Sponsored Research	257,977	0	257,977
29	Rhode Island Capital Plan Funds			
30	RINSC Asset Protection	50,000	0	50,000
31	Grand Total - RI Atomic Energy Commission	1,436,731	(211,260)	1,225,471
32	<b>RI Higher Education Assistance Authority</b>			
33	General Revenues			
34	Needs Based Grants and Work Opportunities	4,134,726	51,597	4,186,323

1	Authority Operations and Other Grants	147,000	0	147,000
2	Federal Funds	13,274,020	(957,506)	12,316,514
3	Other Funds			
4	Tuition Savings Program – Needs Based Grants &			
5	Work Opportunities	8,800,000	(800,000)	8,000,000
6	Tuition Savings Program – Administration	407,989	(77,907)	330,082
7	Grand Total – RI Higher Education			
8	Assistance Authority	26,763,735	(1,783,816)	24,979,919
9	<b>RI Historical Preservation and Heritage Commission</b>			
10	General Revenues	1,357,510	(16,714)	1,340,796
11	Federal Funds	609,949	1,565,473	2,175,422
12	Restricted Receipts	454,491	(34,171)	420,320
13	Other Funds			
14	RIDOT – Project Review	84,999	(16,310)	68,689
15	Rhode Island Capital Plan Funds			
16	Eisenhower House Asset Protection	1,000,000	(500,000)	500,000
17	Grand Total – RI Historical Preservation			
18	and Heritage Commission	3,506,949	998,278	4,505,227
19	<b>Attorney General</b>			
20	<i>Criminal</i>			
21	General Revenues	14,446,868	(140,216)	14,306,652
22	Federal Funds	1,619,532	1,202,380	2,821,912
23	Restricted Receipts	4,440,620	10,880,185	15,320,805
24	Total – Criminal	20,507,020	11,942,349	32,449,369
25	<i>Civil</i>			
26	General Revenues	4,985,425	466,534	5,451,959
27	Restricted Receipts	632,970	2,900	635,870
28	Total – Civil	5,618,395	469,434	6,087,829
29	<i>Bureau of Criminal Identification</i>			
30	General Revenues	1,503,119	21,106	1,524,225
31	Federal Funds	0	7,178	7,178
32	Total – Bureau of Criminal Identification	1,503,119	28,284	1,531,403
33	<i>General</i>			
34	General Revenues	2,721,567	9,391	2,730,958

1	Rhode Island Capital Plan Funds			
2	Building Renovations and Repairs	50,000	191,805	241,805
3	Total – General	2,771,567	201,196	2,972,763
4	Grand Total - Attorney General	30,400,101	12,641,263	43,041,364
5	<b>Corrections</b>			
6	<i>Central Management</i>			
7	General Revenues	9,077,039	(877,921)	8,199,118
8	Federal Funds	45,094	566,605	611,699
9	Federal Funds – Stimulus	10,770	(10,770)	0
10	Total – Central Management	9,132,903	(322,086)	8,810,817
11	<i>Parole Board</i>			
12	General Revenues	1,354,433	(76,812)	1,277,621
13	Federal Funds	38,000	0	38,000
14	Total – Parole Board	1,392,433	(76,812)	1,315,621
15	<i>Custody and Security</i>			
16	General Revenues	115,418,407	1,561,770	116,980,177
17	Federal Funds	761,526	210,013	971,539
18	Total – Custody and Security	116,179,933	1,771,783	117,951,716
19	<i>Institutional Support</i>			
20	General Revenues	15,728,306	198,384	15,926,690
21	Rhode Island Capital Plan Funds			
22	Asset Protection	3,000,000	4,042,068	7,042,068
23	Maximum – General Renovations	1,100,000	178,624	1,278,624
24	General Renovations – Women’s	1,000,000	196,857	1,196,857
25	Bernadette Guay Roof	1,165,000	(568,444)	596,556
26	ISC Exterior Envelope and HVAC	4,000,000	(1,643,673)	2,356,327
27	Minimum Security Kitchen Expansion	2,485,392	(1,985,400)	499,992
28	Medium Infrastructure	4,719,359	(3,457,938)	1,261,421
29	Women’s Bath Renovations	0	364,673	364,673
30	D-Building State Match – Reintegration C	0	220,022	220,022
31	Total - Institutional Support	33,198,057	(2,454,827)	30,743,230
32	<i>Institutional Based Rehab./Population Management</i>			
33	General Revenues	9,129,775	75,133	9,204,908
34	Federal Funds	794,918	(12,853)	782,065

1	Federal Funds – Stimulus	64,394	(64,311)	83
2	Restricted Receipts	29,758	(894)	28,864
3	Total – Institutional Based Rehab/Pop/Mgt.	10,018,845	(2,925)	10,015,920
4	<i>Healthcare Services</i>			
5	General Revenue	19,639,269	(55,609)	19,583,660
6	Total – Healthcare Services	19,639,269	(55,609)	19,583,660
7	<i>Community Corrections</i>			
8	General Revenues	15,031,969	(162,101)	14,869,868
9	Federal Funds	73,986	43,267	117,253
10	Restricted Receipts	35,132	2,157	37,289
11	Total – Community Corrections	15,141,087	(116,677)	15,024,410
12	Grand Total – Corrections	204,702,527	(1,257,153)	203,445,374
13	<b>Judiciary</b>			
14	<i>Supreme Court</i>			
15	General Revenues	26,221,542	(99,073)	26,122,469
16	Defense of Indigents	3,562,240	(20,000)	3,542,240
17	Federal Funds	272,163	(81,512)	190,651
18	Restricted Receipts	3,356,909	51,563	3,408,472
19	Rhode Island Capital Plan Funds			
20	Judicial HVAC	425,000	197,271	622,771
21	Judicial Complexes Asset Protection	650,000	182,719	832,719
22	Murray Judicial Complex Cell Block	440,000	290,293	730,293
23	Total - Supreme Court	34,927,854	521,261	35,449,115
24	<i>Judicial Tenure and Discipline</i>			
25	General Revenues	115,627	(573)	115,054
26	Total – Judicial Tenure and Discipline	115,627	(573)	115,054
27	<i>Superior Court</i>			
28	General Revenues	22,294,581	(364,700)	21,929,881
29	Federal Funds	94,205	44,956	139,161
30	Restricted Receipts	306,723	(4,345)	302,378
31	Total - Superior Court	22,695,509	(324,089)	22,371,420
32	<i>Family Court</i>			
33	General Revenues	18,851,385	141,452	18,992,837
34	Federal Funds	2,257,880	(523,932)	1,733,948

1	Total - Family Court	21,109,265	(382,480)	20,726,785
2	<i>District Court</i>			
3	General Revenues	12,545,634	(423,287)	12,122,347
4	Restricted Receipts	297,822	(5,020)	292,802
5	Total - District Court	12,843,456	(428,307)	12,415,149
6	<i>Traffic Tribunal</i>			
7	General Revenues	8,090,350	490,228	8,580,578
8	Total – Traffic Tribunal	8,090,350	490,228	8,580,578
9	<i>Workers' Compensation Court</i>			
10	Restricted Receipts	7,842,060	(7,530)	7,834,530
11	Total – Workers' Compensation Court	7,842,060	(7,530)	7,834,530
12	Grand Total – Judiciary	107,624,121	(131,490)	107,492,631
13	<b>Military Staff</b>			
14	<i>National Guard</i>			
15	General Revenues	1,361,037	315,776	1,676,813
16	Federal Funds	14,816,306	(322,293)	14,494,013
17	Restricted Receipts	300,000	263,000	563,000
18	Rhode Island Capital Plan Funds			
19	Armory of Mounted Command Roof			
20	Replacement	280,000	(140,000)	140,000
21	State Armories Fire Code Compliance	20,250	14,750	35,000
22	Federal Armories Fire Code Compliance	20,250	(16,150)	4,100
23	Asset Protection	775,000	(132,102)	642,898
24	Logistics/Maintenance Facilities Fire Code Comp.	12,500	(2,500)	10,000
25	Benefit Street Arsenal Rehabilitation	800,000	(375,000)	425,000
26	Hurricane Sandy Cleanup	1,500,000	88,702	1,588,702
27	Command Center Readiness Addition	0	168,458	168,458
28	Emergency Management Building	0	29,643	29,643
29	Burrillville Regional Training Institute	0	30,290	30,290
30	Camp Fogarty Amory Roof	0	406,367	406,367
31	Total - National Guard	19,885,343	328,941	20,214,284
32	<i>Emergency Management</i>			
33	General Revenues	2,508,946	(545,722)	1,963,224
34	Federal Funds	20,062,446	6,773,663	26,836,109

1	Restricted Receipts	700,779	(492,721)	208,058
2	Total - Emergency Management	23,272,171	5,735,220	29,007,391
3	Grand Total - Military Staff	43,157,514	6,064,161	49,221,675
4	<b>Public Safety</b>			
5	<i>Central Management</i>			
6	General Revenues	1,240,692	(37,439)	1,203,253
7	Federal Funds	4,032,164	682,295	4,714,459
8	Federal Funds – Stimulus	73,809		073,809
9	Restricted Receipts	850	19,150	20,000
10	Total – Central Management	5,347,515	664,006	6,011,521
11	<i>E-911 Emergency Telephone System</i>			
12	General Revenues	5,488,731	(44,435)	5,444,296
13	Total - E-911 Emergency Telephone System	5,488,731	(44,435)	5,444,296
14	<i>State Fire Marshal</i>			
15	General Revenues	2,894,425	(168,764)	2,725,661
16	Federal Funds	0	316,668	316,668
17	Restricted Receipts	277,338	131,417	408,755
18	Rhode Island Capital Plan Funds			
19	Fire Academy	800,000	(583,500)	216,500
20	Quonset Development Corp	55,303	64	55,367
21	Total - State Fire Marshal	4,027,066	(304,115)	3,722,951
22	<i>Security Services</i>			
23	General Revenues	21,814,553	(688,213)	21,126,340
24	Total – Security Services	21,814,553	(688,213)	21,126,340
25	<i>Municipal Police Training Academy</i>			
26	General Revenues	293,022	(56,618)	236,404
27	Federal Funds	269,151	21,249	290,400
28	Restricted Receipts	0	60,000	60,000
29	Total - Municipal Police Training Academy	562,173	24,631	586,804
30	<i>State Police</i>			
31	General Revenues	64,630,376	(721,641)	63,908,735
32	Federal Funds	1,780,411	3,117,696	4,898,107
33	Federal Funds – Stimulus	0	155,000	155,000
34	Restricted Receipts	12,475,000	(110,000)	12,365,000

1	Rhode Island Capital Plan Funds			
2	Barracks and Training	1,409,743	(1,152,426)	257,317
3	Headquarters Repairs/Rehabilitation	500,000	65,032	565,032
4	Parking Area Improvements	225,000	137,967	362,967
5	HQ Expansion	210,000	27,044	237,044
6	State Police Headquarters Facility	0	150,000	150,000
7	Statewide Microwave Tower Installations	0	50,000	50,000
8	Traffic Enforcement - Municipal Training	130,150	4,350	134,500
9	Lottery Commission Assistance	1,558,727	(249,498)	1,309,229
10	Airport Corporation	240,304	(51,155)	189,149
11	Road Construction Reimbursement	3,078,000	(143,000)	2,935,000
12	Total - State Police	86,237,711	1,279,369	87,517,080
13	Grand Total – Public Safety	123,477,749	931,243	124,408,992
14	<b>Office of Public Defender</b>			
15	General Revenues	11,034,686	(149,275)	10,885,411
16	Federal Funds	291,996	(34,910)	257,086
17	Grand Total - Office of Public Defender	11,326,682	(184,185)	11,142,497
18	<b>Environmental Management</b>			
19	<i>Office of the Director</i>			
20	General Revenues	4,575,920	(95,543)	4,480,377
21	Permit Streamlining	33,414	0	33,414
22	Federal Funds	150,000	0	150,000
23	Federal Funds – Stimulus	0	355,000	355,000
24	Restricted Receipts	2,929,180	394,800	3,323,980
25	Total – Office of the Director	7,688,514	654,257	8,342,771
26	<i>Natural Resources</i>			
27	General Revenues	18,718,638	(292,930)	18,425,708
28	Federal Funds	27,119,465	(1,359,271)	25,760,194
29	Restricted Receipts	6,594,688	72,630	6,667,318
30	Other Funds			
31	DOT Recreational Projects	370,428	723,850	1,094,278
32	Blackstone Bikepath Design	2,060,087	0	2,060,087
33	Transportation MOU	78,579	0	78,579
34	Rhode Island Capital Plan Funds			

1	Dam Repair	1,300,000	0	1,300,000
2	Fort Adams Rehabilitation	500,000	0	500,000
3	Fort Adams America's Cup	3,883,558	0	3,883,558
4	Recreational Facilities Improvements	3,390,000	(600,000)	2,790,000
5	Galilee Piers Upgrade	2,696,307	(44,997)	2,651,310
6	Newport Piers	250,000	(104,958)	145,042
7	World War II Facility	2,600,000	(2,600,000)	0
8	Blackstone Valley Bike Path	596,000	(196,000)	400,000
9	Natural Resources Office/Visitor's Center	1,800,000	(1,352,547)	447,453
10	Rocky Point Acquisition/Renovations	2,500,000	0	2,500,000
11	Total - Natural Resources	74,457,750	(5,754,223)	68,703,527
12	<i>Environmental Protection</i>			
13	General Revenues	11,428,346	(164,643)	11,263,703
14	Federal Funds	11,122,266	(1,274,824)	9,847,442
15	Restricted Receipts	8,557,647	352,505	8,910,152
16	Other Funds			
17	Transportation MOU	165,000	0	165,000
18	Retrofit Heavy-Duty Diesel Vehicles	2,760,000	(2,500,000)	260,000
19	Total - Environmental Protection	34,033,259	(3,586,962)	30,446,297
20	Grand Total - Environmental			
21	Management	116,179,523	(8,686,928)	107,492,595
22	<b>Coastal Resources Management Council</b>			
23	General Revenues	2,174,331	(15,595)	2,158,736
24	Federal Funds	1,754,919	(119,656)	1,635,263
25	Federal Funds – Stimulus	405,674	294,095	699,769
26	Restricted Receipts	374,982	(124,982)	250,000
27	Rhode Island Capital Plan Funds			
28	Security Facility Area	0	50,000	50,000
29	Grand Total - Coastal Resources Mgmt.			
30	Council	4,709,906	83,862	4,793,768
31	<b>Transportation</b>			
32	<i>Central Management</i>			
33	Federal Funds	11,307,723	(3,307,736)	7,999,987
34	Other Funds			

1	Gasoline Tax	1,455,983	237,729	1,693,712
2	Total – Central Management	12,763,706	(3,070,007)	9,693,699
3	<i>Management and Budget</i>			
4	Other Funds			
5	Gasoline Tax	1,549,669	616,312	2,165,981
6	Total – Central Management	1,549,669	616,312	2,165,981
7	<i>Infrastructure Engineering – GARVEE/Motor Fuel Tax Bonds</i>			
8	Federal Funds	293,587,942	34,817,619	328,405,561
9	Of these federal funds, \$1,790,000 is appropriated to the Public Rail Corporation from			
10	CMAQ federal funds for the payment of liability insurance.			
11	Federal Funds – Stimulus	6,865,921	5,856,068	12,721,989
12	Restricted Receipts	8,010,496	(1,141,546)	6,868,950
13	Other Funds			
14	Gasoline Tax	53,061,714	(248,450)	52,813,264
15	Land Sale Revenue	14,809,264	(5,709,183)	9,100,081
16	Rhode Island Capital Plan Funds			
17	RIPTA Land and Buildings	104,000	115,261	219,261
18	Highway Projects Match Plan	21,135,000	(13,398,640)	7,736,360
19	Total – Infrastructure Engineering			
20	GARVEE/Motor Fuel Tax Bonds	397,574,337	20,291,129	417,865,466
21	<i>Infrastructure Maintenance</i>			
22	Other Funds			
23	Gasoline Tax	42,251,075	(566,694)	41,684,381
24	Non-Land Surplus Property	125,000	(75,000)	50,000
25	Outdoor Advertising	175,000	150,000	325,000
26	Rhode Island Capital Plan Funds			
27	Maintenance Facilities Improvements	776,210	14,044	790,254
28	Salt Storage Facilities	1,500,000	171,435	1,671,435
29	Portsmouth Facility	1,835,000	(935,000)	900,000
30	Maintenance Equipment Replacement	1,000,000	1,000,000	2,000,000
31	Train Station Maintenance and Repairs	100,000	(2,126)	97,874
32	Cooperative Maintenance Facility DOT/RIPTA	600,000	(300,000)	300,000
33	Cherry Hill/Lincoln Facility	0	481,007	481,007
34	East Providence Facility	0	150,000	150,000

1	DOT Maintenance Facilities – Fire Alarms	0	17,187	17,187
2	Total – Infrastructure Maintenance	48,362,285	104,853	48,467,138
3	Grand Total – Transportation	460,249,997	17,942,287	478,192,284
4	Statewide Totals			
5	General Revenues	3,359,755,123	(8,102,315)	3,351,742,808
6	Federal Funds	2,717,673,430	105,084,530	2,822,757,960
7	Restricted Receipts	255,035,912	24,359,686	279,395,598
8	Other Funds	1,880,597,557	44,930,611	1,925,528,168
9	Statewide Grand Total	8,213,062,022	166,362,512	8,379,424,534

10 SECTION 2. Each line appearing in Section 1 of this Article shall constitute an  
11 appropriation.

12 SECTION 3. The general assembly authorizes the state controller to establish the internal  
13 service accounts shown below, and no other, to finance and account for the operations of state  
14 agencies that provide services to other agencies, institutions and other governmental units on a  
15 cost reimbursed basis. The purpose of these accounts is to ensure that certain activities are  
16 managed in a businesslike manner, promote efficient use of services by making agencies pay the  
17 full costs associated with providing the services, and allocate the costs of central administrative  
18 services across all fund types, so that federal and other non-general fund programs share in the  
19 costs of general government support. The controller is authorized to reimburse these accounts for  
20 the cost of work or services performed for any other department or agency subject to the  
21 following expenditure limitations:

	<b>FY 2014</b>	<b>FY 2014</b>	<b>FY 2014</b>
<u>Account</u>	<u>Enacted</u>	<u>Change</u>	<u>Final</u>
24 State Assessed Fringe Benefit Internal Service Fund	33,644,675	2,053,134	35,697,809
25 Administration Central Utilities Internal Service Fund	20,253,728	(6,015,271)	14,238,457
26 State Central Mail Internal Service Fund	5,336,633	183,170	5,519,803
27 State Telecommunications Internal Service Fund	4,084,660	(31,222)	4,053,438
28 State Automotive Fleet Internal Service Fund	13,668,556	(263,198)	13,405,358
29 Surplus Property Internal Service Fund	2,500	0	2,500
30 Health Insurance Internal Service Fund	250,127,757	0	250,127,757
31 Other Post-Employment Benefits Fund			
32 Retired State Employees	49,727,160	(518,377)	49,208,783
33 Retired Higher Education Employees	2,536,462	0	2,536,462
34 Retired Teachers	7,531,279	0	7,531,279



1	Board of Elections	11.0
2	Rhode Island Ethics Commission	12.0
3	Office of the Governor	45.0
4	Commission for Human Rights	14.5
5	Public Utilities Commission	49.0
6	Office of Health and Human Services	184.0
7	Children, Youth, and Families	670.5
8	Health	<del>494.1</del> <u>491.1</u>
9	Human Services	959.1
10	Behavioral Health, Developmental Disabilities, and Hospitals	<del>1,423.4</del> <u>1,422.4</u>
11	Office of the Child Advocate	6.0
12	Commission on the Deaf and Hard of Hearing	3.0
13	Governor's Commission on Disabilities	4.0
14	Office of the Mental Health Advocate	3.7
15	Elementary and Secondary Education	171.4
16	School for the Deaf	60.0
17	Davies Career and Technical School	126.0
18	<del>Office of Higher Education</del> <u>Office of Postsecondary Commissioner</u>	<del>13.8</del> <u>12.8</u>
19	Provided that 1.0 of the total authorization would be available only for positions that are	
20	supported by third-party funds.	
21	University of Rhode Island	2,456.5
22	Provided that <del>593.2</del> <u>518.6</u> of the total authorization would be available only for positions that	
23	are supported by third-party funds.	
24	Rhode Island College	923.6
25	Provided that 82.0 of the total authorization would be available only for positions that are	
26	supported by third-party funds.	
27	Community College of Rhode Island	854.1
28	Provided that <del>100.0</del> <u>59.7</u> of the total authorization would be available only for positions that	
29	are supported by third-party funds.	
30	Rhode Island State Council on the Arts	6.0
31	RI Atomic Energy Commission	8.6
32	Higher Education Assistance Authority	23.0
33	Historical Preservation and Heritage Commission	16.6
34	Office of the Attorney General	233.1

1	Corrections	1,419.0
2	Judicial	726.3
3	Military Staff	117.0
4	Public Safety	<del>645.2</del> 634.2
5	Office of the Public Defender	93.0
6	Environmental Management	399.0
7	Coastal Resources Management Council	29.0
8	Transportation	<del>772.6</del> 752.6
9	<b>Total</b>	<del>15,118.3</del> <b>15,100.3</b>

10 SECTION 5. Notwithstanding any public laws to the contrary, three million, three  
11 hundred twenty thousand, nine hundred seventy nine dollars (\$3,320,979) of bond premium  
12 deposited into the Rhode Island Capital Plan Fund in FY 2014 shall be transferred to the general  
13 fund on or before June 30, 2014.

14 SECTION 6. This Article shall take effect upon passage.

15 **ARTICLE 11**

16 **JOB DEVELOPMENT FUND ASSESSMENT**

17 SECTION 1. Section 28-42-84 of the General Laws in Chapter 28-42 entitled  
18 "Employment Security – General Provisions" is hereby amended to read as follows:

19 **28-42-84. Job development fund – Disbursements – Unexpended balance.** -- (a) The  
20 moneys in the job development fund shall be used for the following purposes:

21 (1) To reimburse the department of labor and training for the loss of any federal funds  
22 resulting from the collection and maintenance of the fund by the department;

23 (2) To make refunds of contributions erroneously collected and deposited in the fund;

24 (3) To pay any administrative expenses incurred by the department of labor and training  
25 associated with the collection of the contributions for employers paid pursuant to § 28-43-8.5, and  
26 any other administrative expenses associated with the maintenance of the fund, including the  
27 payment of all premiums upon bonds required pursuant to § 28-42-85;

28 (4) To provide for job training, counseling and assessment services, and other related  
29 activities and services. Services will include, but are not limited to, research, development,  
30 coordination, and training activities to promote workforce development and business  
31 development as established by the human resource investment council;

32 (5) To support the state's job training for economic development;

33 (6)(i) Beginning January 1, 2001, two hundredths of one percent (0.02%) out of the  
34 ~~twenty one hundredths of one percent (0.21%)~~ job development assessment paid pursuant to §

1 28-43-8.5 shall be used to support necessary core services in the unemployment insurance and  
2 employment services programs operated by the department of labor and training; and

3 ~~(ii) Beginning January 1, 2011 and ending in tax year 2015, two hundredths of one~~  
4 ~~percent (0.02%) out of the fifty one hundredths of one percent (0.51%) job development~~  
5 ~~assessment paid pursuant to § 28-43-8.5 shall be used to support necessary core services in the~~  
6 ~~unemployment insurance and employment services programs operated by the department of labor~~  
7 ~~and training; and~~

8 (7)(i) Beginning January 1, 2011 and ending in tax year 2015, three tenths of one percent  
9 (0.3%) out of the fifty-one hundredths of one percent (0.51%) job development assessment paid  
10 pursuant to § 28-43.8.5 shall be deposited into a restricted receipt account to be used solely to pay  
11 the principal and/or interest due on Title XII advances received from the federal government in  
12 accordance with the provisions of Section 1201 of the Social Security Act; provided, however,  
13 that if the federal Title XII loans are repaid through a state revenue bond or other financing  
14 mechanism, then these funds may also be used to pay the principal and/or interest that accrues on  
15 that debt. Any remaining funds in the restricted receipt account, after the outstanding principal  
16 and interest due has been paid, shall be transferred to the employment security fund for the  
17 payment of benefits.

18 (ii) Notwithstanding the provisions of this section, for FY 2015 and ensuing fiscal years,  
19 the general assembly may annually allocate in the budget out of available funds in the restricted  
20 receipt account such funds as may be necessary to support the costs associated with the  
21 department's unemployment insurance modernization project.

22 (b) The general treasurer shall pay all vouchers duly drawn by the council upon the fund,  
23 in any amounts and in any manner that the council may prescribe. Vouchers so drawn upon the  
24 fund shall be referred to the controller within the department of administration. Upon receipt of  
25 those vouchers, the controller shall immediately record and sign them and shall promptly transfer  
26 those signed vouchers to the general treasurer. Those expenditures shall be used solely for the  
27 purposes specified in this section and its balance shall not lapse at any time but shall remain  
28 continuously available for expenditures consistent with this section. The general assembly shall  
29 annually appropriate the funds contained in the fund for the use of the human resource investment  
30 council and, in addition, for the use of the department of labor and training effective July 1, 2000,  
31 and for the payment of the principal and interest due on federal Title XII loans beginning July 1,  
32 2011; provided, however, that if the federal Title XII loans are repaid through a state revenue  
33 bond or other financing mechanism, then the funds may also be used to pay the principal and/or  
34 interest that accrues on that debt.

1 SECTION 2. This article shall take effect upon passage.

2 **ARTICLE 12**

3 RELATING TO REVENUES

4 SECTION 1. Chapter 31-3-6.1 of the General Laws entitled "Registration of Vehicles" is  
5 hereby amended by adding thereto the following section:

6 **31-3-6.1.1. Denial of registration- Denial of transfer of registration -- Failure to file**  
7 **tax returns and/or pay taxes. -- (a) On or before October 31 in each year and at least quarterly**  
8 **thereafter, the tax administrator shall furnish the division of motor vehicles, with a list the names,**  
9 **addresses and social security numbers of persons who have neglected or refused to file a tax**  
10 **return(s) and/or to pay any tax administered by the tax administrator and that there is no**  
11 **administrative or appellate review pending regarding such tax matter.**

12 (b) Thereafter, the tax administrator, at the times and in the manner mutually agreed to by  
13 the tax administrator and the administrator of the division of motor vehicles, shall furnish to the  
14 division of motor vehicles the names, addresses and social security numbers of those persons  
15 whose names appear on that list but who have subsequently filed all required returns and paid all  
16 required taxes, interest and attendant penalties in full or entered into a time payment agreement  
17 satisfactory to the tax administrator. Upon receipt of said information, said names, addresses and  
18 social security numbers of said persons shall be removed from the list.

19 (c) The administrator of the division of motor vehicles shall not register any motor  
20 vehicle or transfer the registration of any motor vehicle for any person whose name appears on a  
21 list provided by the tax administrator pursuant to subsection (a) above until all state taxes, interest  
22 and attendant penalties have been paid in full and the payment has been certified to the division  
23 of motor vehicles by the tax administrator.

24 (d) If the person thereafter files an overdue return and/or remits past taxes due or enters  
25 into a satisfactory time payment agreement with respect to any and all returns due and taxes  
26 payable, the tax administrator shall, within five (5) business days of the person's request, provide  
27 the division of motor vehicles with a certificate of good standing specified in § 5-76-5. Within  
28 five (5) business days of receiving such a certificate, the division of motor vehicles shall register  
29 or transfer the person's registration.

30 (e) If a person files an overdue return and/or remits past due taxes in order to register a  
31 motor vehicle or transfer the registration of a motor vehicle, said late filing and/or payment shall  
32 not be an admission of a violation of any criminal tax statute regarding late filing and/or late  
33 payment. The tax administrator shall not refer such person to the Attorney General for  
34 prosecution based solely upon said late filing and/or payment of past due taxes.

1 SECTION 2. Chapter 44-1 of the General Laws entitled "State Tax Officials" is hereby  
2 amended by adding thereto the following section:

3 **44-1-31.2. Charges of Electronic Filing of Tax Returns.** -- (a) For the purpose of this  
4 chapter, the following terms have the specified meanings:

5 (1) "Authorized tax document" means a document which the tax administrator has  
6 authorized to be filed electronically.

7 (2) "Software Company" means a developer of tax software.

8 (3) "Tax Return Preparer" means any person who prepares for compensation, or who  
9 employs or engages one or more persons to prepare for compensation, any authorized tax  
10 document. For the purpose of this section, the term "tax return preparer" also includes a payroll  
11 service.

12 (4) "Tax Software" means any computer software program intended for tax return  
13 preparation purposes. For purposes of this section, the term "tax software" includes, but is not  
14 limited to, an off-the-shelf software program loaded onto a tax return preparer's or taxpayer's  
15 computer, or an online tax preparation application.

16 (b) It shall be unlawful for a tax return preparer or a software company to charge a  
17 separate fee for the electronic filing of authorized tax documents. It shall also be unlawful for a  
18 software company to offer a version of its tax software that charges a separate fee for the  
19 electronic filing of authorized tax documents and a version of the same tax software that does not.

20 (c) Any tax return preparer or software company violating this section shall be liable for a  
21 civil penalty of five hundred dollars (\$500.00) for the first violation and on thousand dollars  
22 (\$1,000.00) for each succeeding violation. The civil penalties imposed by this section shall be  
23 paid to the tax administrator upon notice and demand, and will be assessed, collected and paid in  
24 the same manner as taxes under this title.

25 SECTION 3. Sections 44-18-7, 44-18-7.3, 44-18-12.1, and 44-18-36.1 of the General  
26 Laws in Chapter 44-18 entitled "Sales and Use Tax – Liability and Computation" are hereby  
27 amended to read as follows:

28 **44-18-7. Sales defined.** -- "Sales" means and includes:

29 (1) Any transfer of title or possession, exchange, barter, lease, or rental, conditional or  
30 otherwise, in any manner or by any means of tangible personal property for a consideration.  
31 "Transfer of possession", "lease", or "rental" includes transactions found by the tax administrator  
32 to be in lieu of a transfer of title, exchange, or barter.

33 (2) The producing, fabricating, processing, printing, or imprinting of tangible personal  
34 property for a consideration for consumers who furnish either directly or indirectly the materials

1 used in the producing, fabricating, processing, printing, or imprinting.

2 (3) The furnishing and distributing of tangible personal property for a consideration by  
3 social, athletic, and similar clubs and fraternal organizations to their members or others.

4 (4) The furnishing, preparing, or serving for consideration of food, meals, or drinks,  
5 including any cover, minimum, entertainment, or other charge in connection therewith.

6 (5) A transaction whereby the possession of tangible personal property is transferred, but  
7 the seller retains the title as security for the payment of the price.

8 (6) Any withdrawal, except a withdrawal pursuant to a transaction in foreign or interstate  
9 commerce, of tangible personal property from the place where it is located for delivery to a point  
10 in this state for the purpose of the transfer of title or possession, exchange, barter, lease, or rental,  
11 conditional or otherwise, in any manner or by any means whatsoever, of the property for a  
12 consideration.

13 (7) A transfer for a consideration of the title or possession of tangible personal property,  
14 which has been produced, fabricated, or printed to the special order of the customer, or any  
15 publication.

16 (8) The furnishing and distributing of electricity, natural gas, artificial gas, steam,  
17 refrigeration, and water.

18 (9) The furnishing for consideration of intrastate, interstate and international  
19 telecommunications service sourced in this state in accordance with subsections 44-18.1(15) and  
20 (16) and all ancillary services, any maintenance services of telecommunication equipment other  
21 than as provided for in subdivision 44-18-12(b)(ii). For the purposes of chapters 18 and 19 of this  
22 title only, telecommunication service does not include service rendered using a prepaid telephone  
23 calling arrangement.

24 (ii) Notwithstanding the provisions of paragraph (i) of this subdivision, in accordance  
25 with the Mobile Telecommunications Sourcing Act (4 U.S.C. §§ 116 – 126), subject to the  
26 specific exemptions described in 4 U.S.C. § 116(c), and the exemptions provided in §§ 44-18-8  
27 and 44-18-12, mobile telecommunications services that are deemed to be provided by the  
28 customer's home service provider are subject to tax under this chapter if the customer's place of  
29 primary use is in this state regardless of where the mobile telecommunications services originate,  
30 terminate or pass through. Mobile telecommunications services provided to a customer, the  
31 charges for which are billed by or for the customer's home service provider, shall be deemed to be  
32 provided by the customer's home service provider.

33 (10) The furnishing of service for transmission of messages by telegraph, cable, or radio  
34 and the furnishing of community antenna television, subscription television, and cable television

1 services.

2 (11) The rental of living quarters in any hotel, [as defined in § 42-63.1-2](#), rooming house,  
3 or tourist camp.

4 (12) The transfer for consideration of prepaid telephone calling arrangements and the  
5 recharge of prepaid telephone calling arrangements sourced to this state in accordance with §§  
6 44-18.1-11 and 44-18.1-15. "Prepaid telephone calling arrangement" means and includes prepaid  
7 calling service and prepaid wireless calling service.

8 (13) The sale, storage, use or other consumption of over-the-counter drugs as defined in  
9 paragraph 44-18-7.1(h)(ii).

10 (14) The sale, storage, use or other consumption of prewritten computer software  
11 delivered electronically or by load and leave as defined in paragraph 44-18-7.1(v).

12 (15) The sale, storage, use or other consumption of medical marijuana as defined in § 21-  
13 28.6-3.

14 (16) The furnishing of services in this state as defined in § 44-18-7.3

15 **44-18-7.3. Services defined.** -- a) "Services" means all activities engaged in for other  
16 persons for a fee, retainer, commission, or other monetary charge, which activities involve the  
17 performance of a service in this state as distinguished from selling property.

18 (b) The following businesses and services performed in this state, along with the  
19 applicable 2007 North American Industrial Classification System (NAICS) codes, are included in  
20 the definition of services:

21 (1) Taxicab and limousine services including but not limited to:

22 (i) Taxicab services including taxi dispatchers (485310); and

23 (ii) Limousine services (485320).

24 (2) Other road transportation service including but not limited to:

25 (i) Charter bus service (485510); and

26 (ii) All other transit and ground passenger transportation (485999).

27 (3) Pet care services (812910) except veterinary and testing laboratories services.

28 [\(c\)\(1\) "Room reseller" or "Reseller." Room reseller or reseller shall mean any person](#)  
29 [having any right, permission, license, or other authority from or through a hotel, as defined in §](#)  
30 [42-63.1-2, to reserve, or arrange the transfer of occupancy of, accommodations, the reservation or](#)  
31 [transfer of which is subject to this chapter, such that the occupant pays all or a portion of the](#)  
32 [rental and other fees to the reseller. Room reseller or reseller shall include, but not be limited to,](#)  
33 [sellers of travel packages as defined in this section. Notwithstanding the provisions of any other](#)  
34 [law, where said reservation or transfer of occupancy is made using a room reseller, the](#)

1 application of the sales and use under §§ 44-18-18 and 44-18-20, and the hotel tax under §44-18-  
2 36.1 shall be as follows: The room reseller is required to register with and shall collect and pay to  
3 the tax administrator the sales and use and hotel taxes with said taxes being calculated upon the  
4 amount of rental and other fees paid by the occupant to the room reseller, less the amount of any  
5 rental and other fees paid by the reseller to the hotel. The hotel shall collect and pay to the tax  
6 administrator said taxes upon the amount of rental and other fees paid to the hotel by the reseller  
7 and/or the occupant. No assessment shall be made by the tax administrator against a hotel because  
8 of an incorrect remittance of the taxes under this chapter by a room reseller. No assessment shall  
9 be made by the tax administrator against a room reseller because of an incorrect remittance of the  
10 taxes under this chapter by a hotel. If the hotel has paid the taxes imposed under this chapter, the  
11 occupant and/or room reseller shall reimburse the hotel for said taxes. If the reseller has paid said  
12 taxes, the occupant shall reimburse the reseller for said taxes. Each hotel and room reseller shall  
13 add and collect from the occupant or the room reseller the full amount of the taxes imposed on the  
14 rental and other fees. When added to the rental and other fees, the taxes shall be a debt owed by  
15 the occupant to the hotel or room reseller, as applicable, and shall be recoverable at law in the  
16 same manner as other debts. The amount of the taxes collected by the hotel and/or room reseller  
17 from the occupant under this chapter shall be stated and charged separately from the rental and  
18 other fees, and shall be shown separately on all records thereof, whether made at the time the  
19 transfer of occupancy occurs and made on valid evidence of the transfer, issued or used by the  
20 hotel or the room reseller. A room reseller shall not be required to disclose to the occupant the  
21 amount of tax charged by the hotel; provided, however, the reseller shall represent to the  
22 occupant that the separately stated taxes charged by the reseller include taxes charged by the  
23 hotel. No person shall operate a hotel in this state, or act as a room reseller for any hotel in the  
24 state, unless the tax administrator has issued a permit pursuant to R.I. Gen. Laws § 44-19-1.

25 (2) "Travel package" means a room or rooms bundled with one or more other, separate  
26 components of travel such as air transportation, car rental or similar items, which travel package  
27 is charged to the customer or occupant for a single retail price. When the room occupancy is  
28 bundled for a single consideration, with other property, services, amusement charges, or any other  
29 items, the separate sale of which would not otherwise be subject to tax under this chapter, the  
30 entire single consideration shall be treated as rent, subject to tax under this chapter; provided,  
31 however, that where the amount of the rental or other fees for room occupancy is stated  
32 separately from the price of such other property, services, amusement charges, or other items, on  
33 any sales slip, invoice, receipt, or other statement given the occupant, and such rental and other  
34 fees are determined by the tax administrator to be reasonable in relation to the value of such other

1 [property, services, amusement charges or other items, only such separately stated rental and other](#)  
2 [fees will be subject to tax under this chapter. The value of the transfer of any room or rooms](#)  
3 [bundled as part of a travel package may be determined by the tax administrator from the room](#)  
4 [reseller's and/or hotel's books and records kept in the regular and ordinary course of business.](#)

5 ~~(e)~~(d) The tax administrator is authorized to promulgate rules and regulations in  
6 accordance with the provisions of chapter 42-35 to carry out the provisions, policies, and  
7 purposes of this chapter.

8 **44-18-12.1. Additional measure subject to tax.** -- Also included in the measure subject  
9 to tax under this chapter is the total amount charged for the furnishing or distributing of  
10 electricity, natural gas, artificial gas, steam, refrigeration, water, telecommunications, telegraph,  
11 cable, and radio message service, community antenna television, subscription television, and  
12 cable television service; provided, that the measure of tax in regard to telecommunications service  
13 is the total consideration received for the service as defined in § 44-18-7(9); provided, that in  
14 order to prevent multistate taxation of all telecommunications service, any taxpayer is allowed a  
15 credit or refund of sales tax upon presenting proof that a tax has been paid to another state to  
16 which the tax is properly due for the identical service taxed under this chapter. Furthermore,  
17 included in the measure of tax is the total amount charged for the rental of living quarters in any  
18 hotel [as defined in § 42-63.1-2](#), rooming house, or tourist camp.

19 **44-18-36.1. Hotel tax.** -- (a) There is imposed a hotel tax of five percent (5%) upon the  
20 total consideration charged for occupancy of any space furnished by any hotel, [as defined in § 42-](#)  
21 [63.1-2, or room reseller, as defined in § 44-18-7.3\(c\)](#), in this state. The hotel tax is in addition to  
22 any sales tax imposed. This hotel tax is administered and collected by the division of taxation and  
23 unless provided to the contrary in this chapter, all the administration, collection, and other  
24 provisions of chapters 18 and 19 of this title apply. Nothing in this chapter shall be construed to  
25 limit the powers of the convention authority of the city of Providence established pursuant to the  
26 provisions of chapter 84 of the public laws of 1980, except that distribution of hotel tax receipts  
27 shall be made pursuant to chapter 63.1 of title 42 rather than chapter 84 of the public laws of  
28 1980.

29 (b) There is hereby levied and imposed, upon the total consideration charged for  
30 occupancy of any space furnished by any hotel, [as defined in § 42-63.1-2, or room reseller as](#)  
31 [defined in § 44-18-7.3\(c\)](#), in this state, in addition to all other taxes and fees now imposed by law,  
32 a local hotel tax at a rate of one percent (1%). The local hotel tax shall be administered and  
33 collected in accordance with subsection (a).

34 (c) All sums received by the division of taxation from the local hotel tax, penalties or

1 forfeitures, interest, costs of suit and fines shall be distributed at least quarterly, credited and paid  
2 by the state treasurer to the city or town where the space for occupancy that is furnished by the  
3 hotel is located. Unless provided to the contrary in this chapter, all of the administration,  
4 collection, and other provisions of chapters 18 and 19 of this title shall apply.

5 (d) Notwithstanding the provisions of subsection (a) of this section, the city of Newport  
6 shall have the authority to collect from hotels, [as defined in § 42-63.1-2, or room reseller as](#)  
7 [defined in § 44-18-7.3\(c\)](#), located in the city of Newport the tax imposed by subsection (a) of this  
8 section.

9 (1) Within ten (10) days of collection of the tax, the city of Newport shall distribute the  
10 tax as provided in § 42-63.1-3. No later than the first day of March and the first day of September  
11 in each year in which the tax is collected, the city of Newport shall submit to the division of  
12 taxation a report of the tax collected and distributed during the six (6) month period ending thirty  
13 (30) days prior to the reporting date.

14 (2) The city of Newport shall have the same authority as the division of taxation to  
15 recover delinquent hotel taxes pursuant to chapter 44-19, and the amount of any hotel tax, penalty  
16 and interest imposed by the city of Newport until collected constitutes a lien on the real property  
17 of the taxpayer.

18 In recognition of the work being performed by the Streamlined Sales and Use Tax  
19 Governing Board, upon [passage of](#) any federal law which [authorizes states to](#) require remote  
20 sellers to collect and remit taxes, ~~effective the first (1st) day of the first (1st) state fiscal quarter~~  
21 ~~following the change~~, the rate imposed under § 44-18-36.1(b) shall be one and one-half percent  
22 (1.5%)- [effective on the same date this state requires remote sellers to collect and remit sales and](#)  
23 [use taxes.](#)

24 SECTION 4. Section 42-63.1-2 of the General Laws in Chapter 42-63.1 entitled  
25 "Tourism and Development" is hereby amended to read as follows:

26 **42-63.1-2. Definitions.** -- For the purposes of this chapter:

27 (1) "Consideration" means the monetary charge for the use of space devoted to transient  
28 lodging accommodations.

29 (2) "Corporation" means the ~~Rhode Island economic development corporation~~ [Rhode](#)  
30 [Island Commerce Corporation.](#)

31 (3) "District" means the regional tourism districts set forth in § 42-63.1-5.

32 (4) "Hotel" means any facility offering a minimum of ~~three (3)~~ [one](#) rooms for which the  
33 public may, for a consideration, obtain transient lodging accommodations. The term "hotel" shall  
34 include hotels, motels, [bed and breakfasts \(B&B's\), time shares as defined in §34-41-1.02\(13\),](#)

1 tourist homes, tourist camps, lodging houses, and inns and shall exclude schools, hospitals,  
2 sanitariums, nursing homes, and chronic care centers.

3 (5) "Occupancy" means a person, firm or corporation's use of space ordinarily used for  
4 transient lodging accommodations not to exceed thirty (30) days. Excluded from "occupancy" is  
5 the use of space for which the occupant has a written lease for the space, which lease covers a  
6 rental period of twelve (12) months or more.

7 (6) "Tax" means the hotel tax imposed by subsection 44-18-36.1(a).

8 SECTION 5. Chapter 44-30 entitled "Personal Income Tax" is hereby amended by  
9 adding thereto the following section:

10 **44-30-100. Lookup Table to Report Use Tax on Personal Income Tax Return. -- (a)**  
11 When reporting the amount of use tax obligation on the Rhode Island personal income return, the  
12 taxpayer shall list either the actual amount (from books, records, and other sources), or an amount  
13 using a lookup table established by the tax administrator.

14 (b) Establishment of lookup table. (1) The tax administrator shall create the lookup table  
15 with reference to a taxpayer's federal adjusted gross income (AGI) as listed on the Rhode Island  
16 personal income tax return before modifications, adjustments, or other changes. To determine the  
17 amount of use tax from the lookup table, the taxpayer shall multiply 0.0008 by the amount of the  
18 taxpayer's federal AGI as listed on the Rhode Island personal income tax return before  
19 modifications, adjustments, or other changes.

20 (2) The AGI income ranges within the lookup table shall be adjusted by the tax  
21 administrator by December 31 of each calendar year by the percentage, if any, by which the  
22 Consumer Price Index for All Urban Consumers (CPI-U) as of the close of the 12-month period  
23 ending on August 31 of that year, exceeds the CPI-U as of the close of the 12-month period  
24 ending on August 31 of the immediately preceding year. For purposes of the annual calculation,  
25 the tax administrator shall be free to substitute an inflation index which is substantially similar to  
26 the CPI-U.

27 (3) If a taxpayer uses the lookup table, the taxpayer shall list on the return not only the  
28 result from the lookup table, but also the actual amount of each single purchase whose purchase  
29 price equals or exceeds \$1,000.

30 (4) Instructions for the personal income tax form shall indicate that the use of the lookup  
31 table as described in this section is, for the taxpayer, a "safe harbor" alternative to listing the  
32 actual amount of the taxpayer's use tax obligation.

33 (c) When completing and filing a Rhode Island personal income tax return, the taxpayer  
34 shall check a box attesting to the amount of use tax listed on the return. The tax administrator

1 [shall direct computer software providers to require the taxpayer or the taxpayer's preparer to](#)  
2 [proactively check the box; software providers shall not program an automatically checked](#)  
3 [attestation box.](#)

4 [\(d\) The tax administrator shall make clear on personal income tax forms and instructions](#)  
5 [that use tax is typically due on internet, mail-order, and catalog out-of-state purchases.](#)

6 SECTION 6. Sections 44-20-1 and 44-20-13.2 of the General Laws in Chapter 44-20  
7 entitled "Cigarette Tax" are hereby amended to read as follows:

8 **44-20-1. Definitions.** -- Whenever used in this chapter, unless the context requires  
9 otherwise:

10 (1) "Administrator" means the tax administrator;

11 (2) "Cigarettes" means and includes any cigarettes suitable for smoking in cigarette form,  
12 and each sheet of cigarette rolling paper;

13 (3) "Dealer" means any person whether located within or outside of this state, who sells  
14 or distributes cigarettes to a consumer in this state;

15 (4) "Distributor" means any person:

16 (A) Whether located within or outside of this state, other than a dealer, who sells or  
17 distributes cigarettes within or into this state. Such term shall not include any cigarette  
18 manufacturer, export warehouse proprietor, or importer with a valid permit under 26 U.S.C. §  
19 5712, if such person sells or distributes cigarettes in this state only to licensed distributors, or to  
20 an export warehouse proprietor or another manufacturer with a valid permit under 26 U.S.C. §  
21 5712;

22 (B) Selling cigarettes directly to consumers in this state by means of at least twenty-five  
23 (25) cigarette vending machines;

24 (C) Engaged in this state in the business of manufacturing cigarettes or any person  
25 engaged in the business of selling cigarettes to dealers, or to other persons, for the purpose of  
26 resale only; provided, that seventy-five percent (75%) of all cigarettes sold by that person in this  
27 state are sold to dealers or other persons for resale and selling cigarettes directly to at least forty  
28 (40) dealers or other persons for resale; or

29 (D) Maintaining one or more regular places of business in this state for that purpose;  
30 provided, that seventy-five percent (75%) of the sold cigarettes are purchased directly from the  
31 manufacturer and selling cigarettes directly to at least forty (40) dealers or other persons for  
32 resale;

33 [\(5\) "Electronic cigarette", commonly known as "E-Cigarette", means a personal](#)  
34 [vaporizer, electronic nicotine delivery system or an electronic inhaler, which generally utilizes a](#)

1 [heating element that vaporizes a liquid solution containing nicotine or nicotine derivative.](#)

2 ~~(5)~~[\(6\)](#) "Importer" means any person who imports into the United States, either directly or  
3 indirectly, a finished cigarette for sale or distribution;

4 ~~(6)~~[\(7\)](#) "Licensed", when used with reference to a manufacturer, importer, distributor or  
5 dealer, means only those persons who hold a valid and current license issued under § 44-20-2 for  
6 the type of business being engaged in. When the term "licensed" is used before a list of entities,  
7 such as "licensed manufacturer, importer, wholesale dealer, or retailer dealer," such term shall be  
8 deemed to apply to each entity in such list;

9 ~~(7)~~[\(8\)](#) "Manufacturer" means any person who manufactures, fabricates, assembles,  
10 processes, or labels a finished cigarette;

11 ~~(8)~~[\(9\)](#) "Person" means any individual, including an employee or agent, firm, fiduciary,  
12 partnership, corporation, trust, or association, however formed;

13 ~~(9)~~[\(10\)](#) "Place of business" means and includes any place where cigarettes are sold or  
14 where cigarettes are stored or kept for the purpose of sale or consumption, including any vessel,  
15 vehicle, airplane, train, or vending machine;

16 ~~(10)~~[\(11\)](#) "Sale" or "sell" includes and applies to gifts, exchanges, and barter;

17 ~~(11)~~[\(12\)](#) "Stamp" means the impression, device, stamp, label, or print manufactured,  
18 printed, or made as prescribed by the administrator to be affixed to packages of cigarettes, as  
19 evidence of the payment of the tax provided by this chapter or to indicate that the cigarettes are  
20 intended for a sale or distribution in this state that is exempt from state tax under the provisions of  
21 state law; and also includes impressions made by metering machines authorized to be used under  
22 the provisions of this chapter.

23 **44-20-13.2. Tax imposed on smokeless tobacco, cigars, and pipe tobacco products. --**

24 (a) A tax is imposed on all smokeless tobacco, [electronic cigarettes](#), cigars, and pipe tobacco  
25 products sold or held for sale in the state by any person, the payment of the tax to be  
26 accomplished according to a mechanism established by the administrator, division of taxation,  
27 department of administration. Any tobacco product on which the proper amount of tax provided  
28 for in this chapter has been paid, payment being evidenced by a stamp, is not subject to a further  
29 tax under this chapter. The tax imposed by this section shall be as follows:

30 (1) At the rate of eighty percent (80%) of the wholesale cost of cigars, pipe tobacco  
31 products and smokeless tobacco other than snuff.

32 (2) Notwithstanding the eighty percent (80%) rate in subsection (a) above, in the case of  
33 cigars, the tax shall not exceed fifty cents (\$.50) for each cigar.

34 (3) At the rate of one dollar (\$1.00) per ounce of snuff, and a proportionate tax at the like

1 rate on all fractional parts of an ounce thereof. Such tax shall be computed based on the net  
2 weight as listed by the manufacturer, provided, however, that any product listed by the  
3 manufacturer as having a net weight of less than 1.2 ounces shall be taxed as if the product has a  
4 net weight of 1.2 ounces.

5 (b) Any dealer having in his or her possession any tobacco, cigars, and pipe tobacco  
6 products with respect to the storage or use of which a tax is imposed by this section shall, within  
7 five (5) days after coming into possession of the tobacco, cigars, and pipe tobacco in this state,  
8 file a return with the tax administrator in a form prescribed by the tax administrator. The return  
9 shall be accompanied by a payment of the amount of the tax shown on the form to be due.  
10 Records required under this section shall be preserved on the premises described in the relevant  
11 license in such a manner as to ensure permanency and accessibility for inspection at reasonable  
12 hours by authorized personnel of the administrator.

13 (c) The proceeds collected are paid into the general fund.

14 SECTION 7. Title 44 of the General Laws entitled "Taxation" is hereby amended by  
15 adding thereto the following chapter:

16 CHAPTER 69

17 COMPLIANCE OF STATE EMPLOYEES WITH STATE INCOME TAX ACT

18 44-69-1. Short title. -- This chapter shall be known as the "State Employee Tax  
19 Compliance Act".

20 44-69-2. Definitions. -- (a) "Appointing Authority" means the person or group of persons  
21 having the power by virtue of the constitution, a state statute, or lawfully delegated authority to  
22 make appointments.

23 (b) "Employee" or "State Employee" means an appointed officer or employee of a state  
24 agency; provided, the term employee or state employee shall not include an elected official or an  
25 employee of a local governmental entity.

26 (c) "State Agency" means any office, department, board, commission or institution of the  
27 executive, legislative, higher education or judicial branch of state government.

28 44-68-3. Administration. -- (a) The department of administration shall, not later than  
29 August 1, 2014, and August 1 of each year thereafter, provide to the tax administrator a list of all  
30 state employees as of the preceding July 1 and such identifying information as may be required  
31 by the Tax Administrator. Such list and information shall be used by the Tax Administrator  
32 exclusively for the purpose of collection of income taxes due to the State of Rhode Island.

33 (b) The Tax Administrator shall, not later than December 1, 2014, and December 1 of  
34 each year thereafter, notify any state employee who is not in compliance with the income tax laws

1 of this state. Such notification shall include:

2 (1) A statement that the employee will be subject to mandatory garnishment of wages by  
3 the state controller, unless the taxpayer is deemed by the Tax Administrator to be in compliance  
4 with the income tax laws of this state;

5 (2) The reasons that the taxpayer is considered to be out of compliance with the income  
6 tax laws of this state, including a statement of the amount of any tax, penalties and interest due, or  
7 a list of the tax years for which income tax returns have not been filed, as required by law;

8 (3) An explanation of the rights of the taxpayer and the procedures which must be  
9 followed by the taxpayer in order to come into compliance with the income tax laws of this state;

10 and

11 (4) Such other information as may be deemed necessary by the Tax Administrator.

12 (c) A state employee who has entered into and is abiding by a payment agreement, or  
13 who has requested relief as an innocent spouse, which request is pending or has been granted,  
14 shall be deemed to be in compliance with the state income tax laws for purposes of this section.

15 (d) If the Tax Administrator notifies a state employee who is not in compliance with the  
16 income tax laws of this state as required in this section and such state employee does not respond  
17 to such notification or fails to come into compliance with the income tax laws of this state after an  
18 assessment has been made final or after the Tax Administrator determines that every reasonable  
19 effort has been made to assist the state employee to come into compliance with the income tax  
20 laws of this state, the Tax Administrator shall so notify the state controller, who shall commence  
21 mandatory garnishment of the state employee's wages and shall notify the state employee of the  
22 reason for such action. If a state employee, who has been previously reported by the Tax  
23 Administrator to a state agency as being out of compliance, comes into compliance, the Tax  
24 Administrator shall immediately notify the state controller. Neither a state agency nor an  
25 appointing authority shall be held liable for any action with respect to a state employee pursuant  
26 to the provisions of this section.

27 SECTION 8. Chapter 44-19 entitled "Sales and Use Taxes – Enforcement and  
28 Collection" is hereby amended by adding thereto the following section:

29 **44-19-42. Sales Suppression Devices -- Definitions and Applicability.** -- (a) As used in  
30 this section:

31 (1) "Automated sales suppression device," also known as a "zapper," means a software  
32 program, carried on a memory stick or removable compact disc, accessed through an Internet  
33 link, or accessed through any other means, that falsifies transaction data, transaction reports, or  
34 any other electronic records of electronic cash registers and other point-of-sale systems.

1           (2) "Electronic cash register" means a device that keeps a register or supporting  
2 documents through the means of an electronic device or computer system designed to record  
3 transaction data for the purpose of computing, compiling, or processing retail sales transaction  
4 data in any manner.

5           (3) "Phantom-ware" means a hidden programming option, whether preinstalled or  
6 installed at a later time, embedded in the operating system of an electronic cash register or  
7 hardwired into the electronic cash register that:

8                   (A) Can be used to create a virtual second till; or

9                   (B) May eliminate or manipulate transaction records.

10           (4) "Transaction data" includes items purchased by a customer, the price for each item, a  
11 taxability determination for each item, a segregated tax amount for each of the taxed items, the  
12 amount of cash or credit tendered, the net amount returned to the customer in change, the date  
13 and time of the purchase, the name, address, and identification number of the vendor, and the  
14 receipt or invoice number of the transaction.

15           (5) "Transaction reports" means a report documenting, but not limited to, the sales, taxes  
16 collected, media totals, and discount voids at an electronic cash register that is printed on cash  
17 register tape at the end of a day or shift, or a report documenting every action at an electronic  
18 cash register that is stored electronically.

19           (b) A person shall not knowingly sell, purchase, install, transfer or possess an automated  
20 sales suppression device or phantom-ware.

21           (c) Any person who violates subdivision (b) of this section shall be guilty of a felony and,  
22 upon conviction, shall be subject to a fine not exceeding fifty-thousand dollars (\$50,000) or  
23 imprisonment not exceeding five (5) years, or both.

24           (d) In addition, a person who violates subdivision (b) of this section shall be liable to the  
25 State for:

26                   (1) All taxes, interest, and penalties due as the result of the person's use of an automated  
27 sales suppression device or phantom-ware; and

28                   (2) All profits associated with the person's sale of an automated sales suppression device  
29 or phantom-ware.

30           (e) An automated sales suppression device or phantom-ware and any device containing  
31 such device or software shall be deemed contraband and shall be subject to seizure by the tax  
32 administrator or by a law enforcement officer when directed to do so by the tax administrator.

33           (f) Safe Harbor. A person shall not be subject to prosecution under Rhode Island General  
34 Laws § 44-19-42, if by October 1, 2014 the person:



1 however, solely for the purpose of determining revenues remaining and available for transfer to  
2 the state's general fund, beginning in fiscal year 2015, expenses incurred by the division in the  
3 operation of state lotteries shall reflect the actuarially determined employer contribution to the  
4 Employees' Retirement System consistent with the state's adopted funding policy. For financial  
5 reporting purposes, the state lottery fund financial statements shall be prepared in accordance  
6 with generally accepted accounting principles as promulgated by the Governmental Accounting  
7 Standards Board; and

8 ~~(3) Repayment into the general revenue fund of the amount appropriated for the~~  
9 ~~implementation of the state lottery; and~~

10 ~~(4)(3) Payment into the general revenue fund of all revenues remaining in the state lottery~~  
11 ~~fund after the payments specified in subdivisions (a)(1) – (a)(3) (a)(2) of this section; provided,~~  
12 ~~that the amount to be transferred into the general revenue fund shall equal no less than twenty-~~  
13 ~~five percent (25%) of the total revenue received and accrued from the sale of lottery tickets plus~~  
14 ~~any other income earned from the lottery; provided further, that the revenue returned to the~~  
15 ~~general fund from the game commonly known as Keno, shall not be calculated as part of the~~  
16 ~~twenty five percent (25%) mandate required by this section, but the amount transferred into the~~  
17 ~~general revenue fund shall equal no less than fifteen percent (15%) of the total Keno revenue~~  
18 ~~received.~~

19 (b) The auditor general shall conduct an annual post audit of the financial records and  
20 operations of the lottery for the preceding year in accordance with generally accepted auditing  
21 standards and government auditing standards. In connection with the audit, the auditor general  
22 may examine all records, files, and other documents of the division, and any records of lottery  
23 sales agents that pertain to their activities as agents, for purposes of conducting the audit. The  
24 auditor general, in addition to the annual post audit, may require or conduct any other audits or  
25 studies he or she deems appropriate, the costs of which shall be borne by the division.

26 (c) Payments into the state's general fund specified in subsection (a)~~(4)~~ (3) of this section  
27 shall be made on an estimated quarterly basis. Payment shall be made on the tenth business day  
28 following the close of the quarter except for the fourth quarter when payment shall be on the last  
29 business day.

30 SECTION 2. Section 42-61.2-7 of the General Laws in Chapter 42-61.7 entitled "Video  
31 Lottery Terminal" is hereby amended to read as follows:

32 **42-61.2-7. Division of revenue.** -- (a) Notwithstanding the provisions of § 42-61-15, the  
33 allocation of net terminal income derived from video lottery games is as follows:

34 (1) For deposit in the general fund and to the state lottery division fund for administrative

1 purposes: Net terminal income not otherwise disbursed in accordance with subdivisions (a)(2) –  
2 (a)(6) herein;

3 (i) Except for the fiscal year ending June 30, 2008, nineteen one hundredths of one  
4 percent (0.19%) up to a maximum of twenty million dollars (\$20,000,000) shall be equally  
5 allocated to the distressed communities as defined in § 45-13-12 provided that no eligible  
6 community shall receive more than twenty-five percent (25%) of that community's currently  
7 enacted municipal budget as its share under this specific subsection. Distributions made under  
8 this specific subsection are supplemental to all other distributions made under any portion of  
9 general laws § 45-13-12. For the fiscal year ending June 30, 2008 distributions by community  
10 shall be identical to the distributions made in the fiscal year ending June 30, 2007 and shall be  
11 made from general appropriations. For the fiscal year ending June 30, 2009, the total state  
12 distribution shall be the same total amount distributed in the fiscal year ending June 30, 2008 and  
13 shall be made from general appropriations. For the fiscal year ending June 30, 2010, the total  
14 state distribution shall be the same total amount distributed in the fiscal year ending June 30,  
15 2009 and shall be made from general appropriations, provided however that \$784,458 of the total  
16 appropriation shall be distributed equally to each qualifying distressed community. For each of  
17 the fiscal years ending June 30, 2011, June 30, 2012, and June 30, 2013 seven hundred eighty-  
18 four thousand four hundred fifty-eight dollars (\$784,458) of the total appropriation shall be  
19 distributed equally to each qualifying distressed community.

20 (ii) Five one hundredths of one percent (0.05%) up to a maximum of five million dollars  
21 (\$5,000,000) shall be appropriated to property tax relief to fully fund the provisions of § 44-33-  
22 2.1. The maximum credit defined in subdivision 44-33-9(2) shall increase to the maximum  
23 amount to the nearest five dollar (\$5.00) increment within the allocation until a maximum credit  
24 of five hundred dollars (\$500) is obtained. In no event shall the exemption in any fiscal year be  
25 less than the prior fiscal year.

26 (iii) One and twenty-two one hundredths of one percent (1.22%) to fund § 44-34.1-1,  
27 entitled "Motor Vehicle and Trailer Excise Tax Elimination Act of 1998", to the maximum  
28 amount to the nearest two hundred fifty dollar (\$250) increment within the allocation. In no event  
29 shall the exemption in any fiscal year be less than the prior fiscal year.

30 (iv) Except for the fiscal year ending June 30, 2008, ten one hundredths of one percent  
31 (0.10%) to a maximum of ten million dollars (\$10,000,000) for supplemental distribution to  
32 communities not included in paragraph (a)(1)(i) above distributed proportionately on the basis of  
33 general revenue sharing distributed for that fiscal year. For the fiscal year ending June 30, 2008  
34 distributions by community shall be identical to the distributions made in the fiscal year ending

1 June 30, 2007 and shall be made from general appropriations. For the fiscal year ending June 30,  
2 2009, no funding shall be disbursed. For the fiscal year ending June 30, 2010 and thereafter,  
3 funding shall be determined by appropriation.

4 (2) To the licensed video lottery retailer:

5 (a) Prior to the effective date of the NGJA Master Contract, Newport Jai Ali twenty-six  
6 percent (26%) minus three hundred eighty four thousand nine hundred ninety-six dollars  
7 (\$384,996);

8 (ii) On and after the effective date of the NGJA Master Contract, to the licensed video  
9 lottery retailer who is a party to the NGJA Master Contract, all sums due and payable under said  
10 Master Contract minus three hundred eighty four thousand nine hundred ninety-six dollars  
11 (\$384,996).

12 (iii) Effective July 1, 2013 the rate of net terminal income payable to Newport Grand,  
13 LLC under the Newport Grand Master Contract shall increase by two and one quarter percent  
14 (2.25%) points. The increase herein shall sunset and expire on June 30, 2015 and the rate in effect  
15 as of June 30, 2013 shall be reinstated.

16 (b) Prior to the effective date of the UTGR Master Contract, to the present licensed video  
17 lottery retailer at Lincoln Park which is not a party to the UTGR Master Contract, twenty-eight  
18 and eighty-five one hundredths percent (28.85%) minus seven hundred sixty-seven thousand six  
19 hundred eighty-seven dollars (\$767,687);

20 (ii) On and after the effective date of the UTGR Master Contract, to the licensed video  
21 lottery retailer who is a party to the UTGR Master Contract, all sums due and payable under said  
22 Master Contract minus seven hundred sixty-seven thousand six hundred eighty-seven dollars  
23 (\$767,687).

24 (3) To the technology providers who are not a party to the GTECH Master Contract as set  
25 forth and referenced in Public Law 2003, Chapter 32, seven percent (7%) of the net terminal  
26 income of the provider's terminals; in addition thereto, technology providers who provide  
27 premium or licensed proprietary content or those games that have unique characteristics such as  
28 3D graphics, unique math/game play features or merchandising elements to video lottery  
29 terminals may receive incremental compensation, either in the form of a daily fee or as an  
30 increased percentage, if all of the following criteria are met:

31 (A) A licensed video lottery retailer has requested the placement of premium or licensed  
32 proprietary content at its licensed video lottery facility;

33 (B) The division of lottery has determined in its sole discretion that the request is likely to  
34 increase net terminal income or is otherwise important to preserve or enhance the competitiveness

1 of the licensed video lottery retailer;

2 (C) After approval of the request by the division of lottery, the total number of premium  
3 or licensed propriety content video lottery terminals does not exceed ten percent (10%) of the  
4 total number of video lottery terminals authorized at the respective licensed video lottery retailer;  
5 and

6 (D) All incremental costs are shared between the division and the respective licensed  
7 video lottery retailer based upon their proportionate allocation of net terminal income. The  
8 division of lottery is hereby authorized to amend agreements with the licensed video lottery  
9 retailers, or the technology providers, as applicable, to effect the intent herein.

10 (ii) To contractors who are a party to the Master Contract as set forth and referenced in  
11 Public Law 2003, Chapter 32, all sums due and payable under said Master Contract;

12 (iii) Notwithstanding paragraphs (i) and (ii) above, there shall be subtracted  
13 proportionately from the payments to technology providers the sum of six hundred twenty-eight  
14 thousand seven hundred thirty-seven dollars (\$628,737);

15 (4) To the city of Newport one and one hundredth percent (1.01%) of net terminal income  
16 of authorized machines at Newport Grand, except that:

17 (i) Effective November 9, 2009 until June 30, 2013, the allocation shall be one and two  
18 tenths percent (1.2%) of net terminal income of authorized machines at Newport Grand for each  
19 week the facility operates video lottery games on a twenty-four (24) hour basis for all eligible  
20 hours authorized, and

21 (ii) Effective July 1, 2013, provided that the referendum measure authorized by Section 1  
22 of Chapters 24 and 25 of the Public Laws of 2012 is approved statewide and in the City of  
23 Newport, the allocation shall be one and forty-five hundredths percent (1.45%) of net terminal  
24 income of authorized video lottery terminals at Newport Grand; and

25 (B) To the town of Lincoln one and twenty-six hundredths percent (1.26%) of net  
26 terminal income of authorized machines at Twin River except that,

27 (i) Effective November 9, 2009 until June 30, 2013, the allocation shall be one and forty-  
28 five hundredths percent (1.45%) of net terminal income of authorized machines at Twin River for  
29 each week video lottery games are offered on a twenty-four (24) hour basis for all eligible hours  
30 authorized, and

31 (ii) Effective July 1, 2013, provided that the referendum measure authorized by Article  
32 25, Chapter 151, Section 4 of the Public Laws of 2011 is approved statewide and in the Town of  
33 Lincoln, the allocation shall be one and forty-five hundredths percent (1.45%) of net terminal  
34 income of authorized video lottery terminals at Twin River; and

1 (5) To the Narragansett Indian Tribe, seventeen hundredths of one percent (0.17%) of net  
2 terminal income of authorized machines at Lincoln Park up to a maximum of ten million dollars  
3 (\$10,000,000) per year, which shall be paid to the Narragansett Indian Tribe for the account of a  
4 Tribal Development Fund to be used for the purpose of encouraging and promoting: home  
5 ownership and improvement, elderly housing, adult vocational training; health and social  
6 services; childcare; natural resource protection; and economic development consistent with state  
7 law. Provided, however, such distribution shall terminate upon the opening of any gaming facility  
8 in which the Narragansett Indians are entitled to any payments or other incentives; and provided  
9 further, any monies distributed hereunder shall not be used for, or spent on previously contracted  
10 debts; and

11 (6) Unclaimed prizes and credits shall remit to the general fund of the state; and

12 (7) Payments into the state's general fund specified in subdivisions (a)(1) and (a)(6) shall  
13 be made on an estimated monthly basis. Payment shall be made on the tenth day following the  
14 close of the month except for the last month when payment shall be on the last business day.

15 (b) Notwithstanding the above, the amounts payable by the Division to UTGR related to  
16 the Marketing Program shall be paid on a frequency agreed by the Division, but no less  
17 frequently than annually.

18 (c) Notwithstanding anything in this chapter 61.2 of this title 42 to the contrary, the  
19 Director is authorized to fund the Marketing Program as described above in regard to the First  
20 Amendment to the UTGR Master Contract.

21 (d) Notwithstanding the above, the amounts payable by the Division to Newport Grand  
22 related to the Marketing Program shall be paid on a frequency agreed by the Division, but no less  
23 frequently than annually.

24 (e) Notwithstanding anything in this chapter 61.2 of this title 42 to the contrary, the  
25 Director is authorized to fund the Marketing Program as described above in regard to the First  
26 Amendment to the Newport Grand Master Contract.

27 (f) Notwithstanding the provisions of § 42-61-15, the allocation of Net Table Game  
28 Revenue derived from Table Games at Twin River is as follows:

29 (1) For deposit into the state lottery fund for administrative purposes and then the balance  
30 remaining into the general fund:

31 (i) ~~Sixteen percent (16%)~~ Eighteen percent (18%) of Net Table Game Revenue, except as  
32 provided in subsection (f)(1)(ii):

33 ~~(ii) An additional two percent (2%) of Net Table Game Revenue generated at Twin River~~  
34 ~~shall be allocated starting from the commencement of Table Game activities by such Table Game~~

~~Retailer, and ending, with respect to such Table Game Retailer, on the first date that such Table Game Retailer's net terminal income for a full State fiscal year is less than such Table Game Retailer's net terminal income for the prior State fiscal year, at which point this additional allocation to the State shall no longer apply to such Table Game Retailer.~~

(ii) After casino gaming has commenced in the Commonwealth of Massachusetts, for the first consecutive twelve (12) month period thereafter that the Table Game Retailer's net terminal income is less than its net terminal income for the same twelve (12) month period in the prior year, then for one (1) period of four (4) consecutive State fiscal years immediately thereafter, the State's share of Net Table Game Revenue shall be decreased from eighteen percent (18%) to sixteen percent (16%) with an additional one percent (1%) of Net Table Game Revenue generated by the Table Game Retailer allocated to said Table Game Retailer and one percent (1%) of Net Table Game Revenue generated by the Table Game Retailer allocated to the town of Lincoln.

(2) To UTGR, Net Table Game Revenue not otherwise disbursed pursuant to above subsection (f)(1).; ~~provided, however, on the first date that such Table Game Retailer's net terminal income for a full State fiscal year is less than such Table Game Retailer's net terminal income for the prior State fiscal year, as set forth in subsection (f)(1)(ii) above, one percent (1%) of this Net Table Game Revenue shall be allocated to the town of Lincoln for four (4) consecutive State fiscal years.~~

(g) Notwithstanding the provisions of § 42-61-15, the allocation of Net Table Game Revenue derived from Table Games at Newport Grand is as follows:

(1) For deposit into the state lottery fund for administrative purposes and then the balance remaining into the general fund: eighteen percent (18%) of Net Table Game Revenue.

(2) To Newport Grand LLC, Net Table Game Revenue not otherwise disbursed pursuant to above subsection (g)(1) provided, however, on the first date that such Table Game Retailer's net terminal income for a full State fiscal year is less than such Table Game Retailer's net terminal income for the prior State fiscal year, one percent (1%) of this Net Table Game Revenue shall be allocated to the city of Newport for four (4) consecutive State fiscal years.

SECTION 3. This article will take effect July 1, 2014.

## ARTICLE 14

### RELATING TO MARKETPLACE FAIRNESS ACT

SECTION 1. Section 44-11-2 of the General Laws in Chapter 44-11 entitled "Business Corporation Tax" is hereby amended to read as follows:

**44-11-2. Imposition of tax.** -- (a) Each corporation shall annually pay to the state a tax equal to nine percent (9.0%) of net income, as defined in § 44-11-11, qualified in § 44-11-12, and

1 apportioned to this state as provided in §§ 44-11-13 – 44-11-15, for the taxable year. [In](#)  
2 [recognition of the work being performed by the Streamlined Sales and Use Tax Governing Board,](#)  
3 [upon passage of any federal law which authorizes states to require remote sellers defined in](#)  
4 [section 44-18-15.2, to collect and remit sales and use taxes under chapters 18 and 19 of this title,](#)  
5 [the rate imposed under section 44-11-2 shall be reduced from nine percent \(9.0%\) to six percent](#)  
6 [\(6.0%\). The six percent \(6.0%\) rate shall take effect for tax years beginning on or after the date](#)  
7 [the state requires remote sellers to collect and remit sales and use tax.](#)

8 (b) A corporation shall pay the amount of any tax as computed in accordance with  
9 subsection (a) of this section after deducting from "net income," as used in this section, fifty  
10 percent (50%) of the excess of capital gains over capital losses realized during the taxable year, if  
11 for the taxable year:

12 (1) The corporation is engaged in buying, selling, dealing in, or holding securities on its  
13 own behalf and not as a broker, underwriter, or distributor;

14 (2) Its gross receipts derived from these activities during the taxable year amounted to at  
15 least ninety percent (90%) of its total gross receipts derived from all of its activities during the  
16 year. "Gross receipts" means all receipts, whether in the form of money, credits, or other valuable  
17 consideration, received during the taxable year in connection with the conduct of the taxpayer's  
18 activities.

19 (c) A corporation shall not pay the amount of the tax computed on the basis of its net  
20 income under subsection (a) of this section, but shall annually pay to the state a tax equal to ten  
21 cents (\$.10) for each one hundred dollars (\$100) of gross income for the taxable year or a tax of  
22 one hundred dollars (\$100), whichever tax shall be the greater, if for the taxable year the  
23 corporation is either a "personal holding company" registered under the federal Investment  
24 Company Act of 1940, 15 U.S.C. § 80a-1 et seq., "regulated investment company", or a "real  
25 estate investment trust" as defined in the federal income tax law applicable to the taxable year.  
26 "Gross income" means gross income as defined in the federal income tax law applicable to the  
27 taxable year, plus:

28 (1) Any interest not included in the federal gross income; minus

29 (2) Interest on obligations of the United States or its possessions, and other interest  
30 exempt from taxation by this state; and minus

31 (3) Fifty percent (50%) of the excess of capital gains over capital losses realized during  
32 the taxable year.

33 (d) A small business corporation having an election in effect under subchapter S, 26  
34 U.S.C. § 1361 et seq., shall not be subject to the Rhode Island income tax on corporations, except

1 that the corporation shall be subject to the provisions of subsection (a), to the extent of the income  
2 that is subjected to federal tax under subchapter S.

3 (2) The shareholders of the corporation who are residents of Rhode Island shall include in  
4 their income their proportionate share of the corporation's federal taxable income.

5 (3) [Deleted by P.L. 2004, ch. 595, art. 29, § 1.]

6 (4) [Deleted by P.L. 2004, ch. 595, art. 29, § 1.]

7 (e) *Minimum tax.* The tax imposed upon any corporation under this section shall not be  
8 less than five hundred dollars (\$500).

9 SECTION 2. Sections 44-18-18, 44-18-18.1, 44-18-20 and 44-18-30 of the General Laws  
10 in Chapter 44-18 entitled "Sales and Use Tax – Liability and Computation" are hereby amended  
11 to read as follows:

12 **44-18-18. Sales tax imposed.** -- A tax is imposed upon sales at retail in this state  
13 including charges for rentals of living quarters in hotels as defined in § 42-63.1-2, rooming  
14 houses, or tourist camps, at the rate of six percent (6%) of the gross receipts of the retailer from  
15 the sales or rental charges; provided, that the tax imposed on charges for the rentals applies only  
16 to the first period of not exceeding thirty (30) consecutive calendar days of each rental; provided,  
17 further, that for the period commencing July 1, 1990, the tax rate is seven percent (7%). The tax is  
18 paid to the tax administrator by the retailer at the time and in the manner provided. Excluded from  
19 this tax are those living quarters in hotels, rooming houses, or tourist camps for which the  
20 occupant has a written lease for the living quarters which lease covers a rental period of twelve  
21 (12) months or more. ~~In recognition of the work being performed by the Streamlined Sales and  
22 Use Tax Governing Board, upon passage any federal law which authorizes states to require  
23 remote sellers to collect and remit sales and use taxes, the rate imposed under § 44-18-18 shall be  
24 reduced from seven percent (7%) to six and one half percent (6.5%). The six and one half percent  
25 (6.5%) rate shall take effect on the date that the state requires remote sellers to collect and remit  
26 sale and use taxes.~~

27 **44-18-18.1. Local meals and beverage tax.** -- (a) There is hereby levied and imposed,  
28 upon every purchaser of a meal and/or beverage, in addition to all other taxes and fees now  
29 imposed by law, a local meals and beverage tax upon each and every meal and/or beverage sold  
30 within the state of Rhode Island in or from an eating and/or drinking establishment, whether  
31 prepared in the eating and/or drinking establishment or not and whether consumed at the premises  
32 or not, at a rate of one percent of the gross receipts. The tax shall be paid to the tax administrator  
33 by the retailer at the time and in the manner provided.

34 (b) All sums received by the division of taxation under this section as taxes, penalties or

1 forfeitures, interest, costs of suit and fines shall be distributed at least quarterly, credited and paid  
2 by the state treasurer to the city or town where the meals and beverages are delivered.

3 (c) When used in this section, the following words have the following meanings:

4 (1) "Beverage" means all nonalcoholic beverages, as well as alcoholic beverages, beer,  
5 lager beer, ale, porter, wine, similar fermented malt or vinous liquor.

6 (2) "Eating and/or drinking establishments" mean and include restaurants, bars, taverns,  
7 lounges, cafeterias, lunch counters, drive-ins, roadside ice cream and refreshment stands, fish and  
8 chip places, fried chicken places, pizzerias, food and drink concessions, or similar facilities in  
9 amusement parks, bowling alleys, clubs, caterers, drive-in theatres, industrial plants, race tracks,  
10 shore resorts or other locations, lunch carts, mobile canteens and other similar vehicles, and other  
11 like places of business which furnish or provide facilities for immediate consumption of food at  
12 tables, chairs or counters or from trays, plates, cups or other tableware or in parking facilities  
13 provided primarily for the use of patrons in consuming products purchased at the location.  
14 Ordinarily, eating establishments do not mean and include food stores and supermarkets. Eating  
15 establishments do not mean "vending machines," a self-contained automatic device that dispenses  
16 for sale foods, beverages, or confection products. Retailers selling prepared foods in bulk either in  
17 customer-furnished containers or in the seller's containers, for example "Soup and Sauce"  
18 establishments, are deemed to be selling prepared foods ordinarily for immediate consumption  
19 and, as such, are considered eating establishments.

20 (3) "Meal" means any prepared food or beverage offered or held out for sale by an eating  
21 and/or drinking establishment for the purpose of being consumed by any person to satisfy the  
22 appetite and which is ready for immediate consumption. All such food and beverage, unless  
23 otherwise specifically exempted or excluded herein shall be included, whether intended to be  
24 consumed on the seller's premises or elsewhere, whether designated as breakfast, lunch, snack,  
25 dinner, supper or by some other name, and without regard to the manner, time or place of service.

26 (d) This local meals and beverage tax shall be administered and collected by the division  
27 of taxation and unless provided to the contrary in this chapter, all of the administration,  
28 collection, and other provisions of chapters 18 and 19 of this article apply.

29 ~~In recognition of the work being performed by the Streamlined Sales and Use Tax~~  
30 ~~Governing Board, upon passage of any federal law which authorizes states to require remote~~  
31 ~~sellers to collect and remit sales and use taxes, the rate imposed under § 44-18-18.1 shall be~~  
32 ~~increased from one percent (1%) to one and one-half percent (1.5%). The one and one-half~~  
33 ~~percent (1.5%) rate shall take effect on the date that the state requires remote sellers to collect and~~  
34 ~~remit sales and use taxes.~~

1           **44-18-20. Use tax imposed.** -- (a) An excise tax is imposed on the storage, use, or other  
2 consumption in this state of tangible personal property, prewritten computer software delivered  
3 electronically or by load and leave or services as defined in § 44-18-7.3; including a motor  
4 vehicle, a boat, an airplane, or a trailer, purchased from any retailer at the rate of six percent (6%)  
5 of the sale price of the property.

6           (b) An excise tax is imposed on the storage, use, or other consumption in this state of a  
7 motor vehicle, a boat, an airplane, or a trailer purchased from other than a licensed motor vehicle  
8 dealer or other than a retailer of boats, airplanes, or trailers respectively, at the rate of six percent  
9 (6%) of the sale price of the motor vehicle, boat, airplane, or trailer.

10           (c) The word "trailer" as used in this section and in § 44-18-21 means and includes those  
11 defined in § 31-1-5(a) – (e) and also includes boat trailers, camping trailers, house trailers, and  
12 mobile homes.

13           (d) Notwithstanding the provisions contained in this section and in § 44-18-21 relating to  
14 the imposition of a use tax and liability for this tax on certain casual sales, no tax is payable in  
15 any casual sale:

16           (1) When the transferee or purchaser is the spouse, mother, father, brother, sister, or child  
17 of the transferor or seller;

18           (2) When the transfer or sale is made in connection with the organization, reorganization,  
19 dissolution, or partial liquidation of a business entity; provided:

20           (i) The last taxable sale, transfer, or use of the article being transferred or sold was  
21 subjected to a tax imposed by this chapter;

22           (ii) The transferee is the business entity referred to or is a stockholder, owner, member, or  
23 partner; and

24           (iii) Any gain or loss to the transferor is not recognized for income tax purposes under the  
25 provisions of the federal income tax law and treasury regulations and rulings issued thereunder;

26           (3) When the sale or transfer is of a trailer, other than a camping trailer, of the type  
27 ordinarily used for residential purposes and commonly known as a house trailer or as a mobile  
28 home; or

29           (4) When the transferee or purchaser is exempt under the provisions of § 44-18-30 or  
30 other general law of this state or special act of the general assembly of this state.

31           (e) The term "casual" means a sale made by a person other than a retailer; provided, that  
32 in the case of a sale of a motor vehicle, the term means a sale made by a person other than a  
33 licensed motor vehicle dealer or an auctioneer at an auction sale. In no case is the tax imposed  
34 under the provisions of subsections (a) and (b) of this section on the storage, use, or other

1 consumption in this state of a used motor vehicle less than the product obtained by multiplying  
2 the amount of the retail dollar value at the time of purchase of the motor vehicle by the applicable  
3 tax rate; provided, that where the amount of the sale price exceeds the amount of the retail dollar  
4 value, the tax is based on the sale price. The tax administrator shall use as his or her guide the  
5 retail dollar value as shown in the current issue of any nationally recognized used vehicle guide  
6 for appraisal purposes in this state. On request within thirty (30) days by the taxpayer after  
7 payment of the tax, if the tax administrator determines that the retail dollar value as stated in this  
8 subsection is inequitable or unreasonable, he or she shall, after affording the taxpayer reasonable  
9 opportunity to be heard, re-determine the tax.

10 (f) Every person making more than five (5) retail sales of tangible personal property or  
11 prewritten computer software delivered electronically or by load and leave, or services as defined  
12 in § 44-18-7.3 during any twelve (12) month period, including sales made in the capacity of  
13 assignee for the benefit of creditors or receiver or trustee in bankruptcy, is considered a retailer  
14 within the provisions of this chapter.

15 (g) "Casual sale" includes a sale of tangible personal property not held or used by a seller  
16 in the course of activities for which the seller is required to hold a seller's permit or permits or  
17 would be required to hold a seller's permit or permits if the activities were conducted in this state;  
18 provided, that the sale is not one of a series of sales sufficient in number, scope, and character  
19 (more than five (5) in any twelve (12) month period) to constitute an activity for which the seller  
20 is required to hold a seller's permit or would be required to hold a seller's permit if the activity  
21 were conducted in this state.

22 (2) Casual sales also include sales made at bazaars, fairs, picnics, or similar events by  
23 nonprofit organizations, which are organized for charitable, educational, civic, religious, social,  
24 recreational, fraternal, or literary purposes during two (2) events not to exceed a total of six (6)  
25 days duration each calendar year. Each event requires the issuance of a permit by the division of  
26 taxation. Where sales are made at events by a vendor, which holds a sales tax permit and is not a  
27 nonprofit organization, the sales are in the regular course of business and are not exempt as casual  
28 sales.

29 (h) The use tax imposed under this section for the period commencing July 1, 1990 is at  
30 the rate of seven percent (7%). ~~In recognition of the work being performed by the Streamlined~~  
31 ~~Sales and Use Tax Governing Board, upon passage of any federal law which authorizes states to~~  
32 ~~require remote sellers to collect and remit sales and use taxes, effective the first (1st) day of the~~  
33 ~~first (1st) state fiscal quarter following the change, the rate imposed under § 44-18-18 shall be~~  
34 ~~reduced from seven percent (7.0%) to six and one half percent (6.5%). The six and one half~~

1 ~~percent (6.5%) rate shall take effect on the date that the state requires remote sellers to collect and~~  
2 ~~remit sales and use taxes.~~

3 **44-18-30. Gross receipts exempt from sales and use taxes.** -- There are exempted from  
4 the taxes imposed by this chapter the following gross receipts:

5 (1) *Sales and uses beyond constitutional power of state.* From the sale and from the  
6 storage, use, or other consumption in this state of tangible personal property the gross receipts  
7 from the sale of which, or the storage, use, or other consumption of which, this state is prohibited  
8 from taxing under the Constitution of the United States or under the constitution of this state.

9 (2) *Newspapers.*

10 (i) From the sale and from the storage, use, or other consumption in this state of any  
11 newspaper.

12 (ii) "Newspaper" means an unbound publication printed on newsprint, which contains  
13 news, editorial comment, opinions, features, advertising matter, and other matters of public  
14 interest.

15 (iii) "Newspaper" does not include a magazine, handbill, circular, flyer, sales catalog, or  
16 similar item unless the item is printed for and distributed as a part of a newspaper.

17 (3) *School meals.* From the sale and from the storage, use, or other consumption in this  
18 state of meals served by public, private, or parochial schools, school districts, colleges,  
19 universities, student organizations, and parent teacher associations to the students or teachers of a  
20 school, college, or university whether the meals are served by the educational institutions or by a  
21 food service or management entity under contract to the educational institutions.

22 (4) *Containers.*

23 (i) From the sale and from the storage, use, or other consumption in this state of:

24 (A) Non-returnable containers, including boxes, paper bags, and wrapping materials  
25 which are biodegradable and all bags and wrapping materials utilized in the medical and healing  
26 arts, when sold without the contents to persons who place the contents in the container and sell  
27 the contents with the container.

28 (B) Containers when sold with the contents if the sale price of the contents is not required  
29 to be included in the measure of the taxes imposed by this chapter.

30 (C) Returnable containers when sold with the contents in connection with a retail sale of  
31 the contents or when resold for refilling.

32 (ii) As used in this subdivision, the term "returnable containers" means containers of a  
33 kind customarily returned by the buyer of the contents for reuse. All other containers are "non-  
34 returnable containers."

1           (5) *Charitable, educational, and religious organizations.* From the sale to as in defined in  
2 this section, and from the storage, use, and other consumption in this state or any other state of  
3 the United States of America of tangible personal property by hospitals not operated for a profit,  
4 "educational institutions" as defined in subdivision (18) not operated for a profit, churches,  
5 orphanages, and other institutions or organizations operated exclusively for religious or charitable  
6 purposes, interest free loan associations not operated for profit, nonprofit organized sporting  
7 leagues and associations and bands for boys and girls under the age of nineteen (19) years, the  
8 following vocational student organizations that are state chapters of national vocational students  
9 organizations: Distributive Education Clubs of America, (DECA); Future Business Leaders of  
10 America, phi beta lambda (FBLA/PBL); Future Farmers of America (FFA); Future Homemakers  
11 of America/Home Economics Related Occupations (FHA/HERD); and Vocational Industrial  
12 Clubs of America (VICA), organized nonprofit golden age and senior citizens clubs for men and  
13 women, and parent teacher associations.

14           (ii) In the case of contracts entered into with the federal government, its agencies or  
15 instrumentalities, this state or any other state of the United States of America, its agencies, any  
16 city, town, district, or other political subdivision of the states, hospitals not operated for profit,  
17 educational institutions not operated for profit, churches, orphanages, and other institutions or  
18 organizations operated exclusively for religious or charitable purposes, the contractor may  
19 purchase such materials and supplies (materials and/or supplies are defined as those which are  
20 essential to the project) that are to be utilized in the construction of the projects being performed  
21 under the contracts without payment of the tax.

22           (iii) The contractor shall not charge any sales or use tax to any exempt agency,  
23 institution, or organization but shall in that instance provide his or her suppliers with certificates  
24 in the form as determined by the division of taxation showing the reason for exemption; and the  
25 contractor's records must substantiate the claim for exemption by showing the disposition of all  
26 property so purchased. If any property is then used for a nonexempt purpose, the contractor must  
27 pay the tax on the property used.

28           (6) *Gasoline.* From the sale and from the storage, use, or other consumption in this state  
29 of: (i) gasoline and other products taxed under chapter 36 of title 31, and (ii) fuels used for the  
30 propulsion of airplanes.

31           (7) *Purchase for manufacturing purposes.*

32           (i) From the sale and from the storage, use, or other consumption in this state of computer  
33 software, tangible personal property, electricity, natural gas, artificial gas, steam, refrigeration,  
34 and water, when the property or service is purchased for the purpose of being manufactured into a

1 finished product for resale, and becomes an ingredient, component, or integral part of the  
2 manufactured, compounded, processed, assembled, or prepared product, or if the property or  
3 service is consumed in the process of manufacturing for resale computer software, tangible  
4 personal property, electricity, natural gas, artificial gas, steam, refrigeration, or water.

5 (ii) "Consumed" means destroyed, used up, or worn out to the degree or extent that the  
6 property cannot be repaired, reconditioned, or rendered fit for further manufacturing use.

7 (iii) "Consumed" includes mere obsolescence.

8 (iv) "Manufacturing" means and includes manufacturing, compounding, processing,  
9 assembling, preparing, or producing.

10 (v) "Process of manufacturing" means and includes all production operations performed  
11 in the producing or processing room, shop, or plant, insofar as the operations are a part of and  
12 connected with the manufacturing for resale of tangible personal property, electricity, natural gas,  
13 artificial gas, steam, refrigeration, or water and all production operations performed insofar as the  
14 operations are a part of and connected with the manufacturing for resale of computer software.

15 (vi) "Process of manufacturing" does not mean or include administration operations such  
16 as general office operations, accounting, collection, sales promotion, nor does it mean or include  
17 distribution operations which occur subsequent to production operations, such as handling,  
18 storing, selling, and transporting the manufactured products, even though the administration and  
19 distribution operations are performed by or in connection with a manufacturing business.

20 (8) *State and political subdivisions.* From the sale to, and from the storage, use, or other  
21 consumption by, this state, any city, town, district, or other political subdivision of this state.  
22 Every redevelopment agency created pursuant to chapter 31 of title 45 is deemed to be a  
23 subdivision of the municipality where it is located.

24 (9) *Food and food ingredients.* From the sale and storage, use, or other consumption in  
25 this state of food and food ingredients as defined in § 44-18-7.1(l).

26 For the purposes of this exemption "food and food ingredients" shall not include candy,  
27 soft drinks, dietary supplements, alcoholic beverages, tobacco, food sold through vending  
28 machines or prepared food (as those terms are defined in § 44-18-7.1, unless the prepared food is:

29 (i) Sold by a seller whose primary NAICS classification is manufacturing in sector 311,  
30 except sub-sector 3118 (bakeries);

31 (ii) Sold in an unheated state by weight or volume as a single item;

32 (iii) Bakery items, including bread, rolls, buns, biscuits, bagels, croissants, pastries,  
33 donuts, danish, cakes, tortes, pies, tarts, muffins, bars, cookies, tortillas; and is not sold with  
34 utensils provided by the seller, including plates, knives, forks, spoons, glasses, cups, napkins, or

1 straws.

2 (10) *Medicines, drugs and durable medical equipment.* From the sale and from the  
3 storage, use, or other consumption in this state, of;

4 (i) "Drugs" as defined in § 44-18-7.1(h)(i), sold on prescriptions, medical oxygen, and  
5 insulin whether or not sold on prescription. For purposes of this exemption drugs shall not  
6 include over-the-counter drugs and grooming and hygiene products as defined in § 44-18-  
7 7.1(h)(iii).

8 (ii) Durable medical equipment as defined in section 44-18-7.1(k) for home use only,  
9 including, but not limited to, syringe infusers, ambulatory drug delivery pumps, hospital beds,  
10 convalescent chairs, and chair lifts. Supplies used in connection with syringe infusers and  
11 ambulatory drug delivery pumps which are sold on prescription to individuals to be used by them  
12 to dispense or administer prescription drugs, and related ancillary dressings and supplies used to  
13 dispense or administer prescription drugs shall also be exempt from tax.

14 (11) *Prosthetic devices and mobility enhancing equipment.* From the sale and from the  
15 storage, use, or other consumption in this state, of prosthetic devices as defined in § 44-18-7.1(t),  
16 sold on prescription, including but not limited to, artificial limbs, dentures, spectacles and  
17 eyeglasses, and artificial eyes; artificial hearing devices and hearing aids, whether or not sold on  
18 prescription and mobility enhancing equipment as defined in § 44-18-7.1(p) including  
19 wheelchairs, crutches and canes.

20 (12) *Coffins, caskets, and burial garments.* From the sale and from the storage, use, or  
21 other consumption in this state of coffins or caskets, and shrouds or other burial garments which  
22 are ordinarily sold by a funeral director as part of the business of funeral directing.

23 (13) *Motor vehicles sold to nonresidents.*

24 (i) From the sale, subsequent to June 30, 1958, of a motor vehicle to a bona fide  
25 nonresident of this state who does not register the motor vehicle in this state, whether the sale or  
26 delivery of the motor vehicle is made in this state or at the place of residence of the nonresident.  
27 A motor vehicle sold to a bona fide nonresident whose state of residence does not allow a like  
28 exemption to its nonresidents is not exempt from the tax imposed under § 44-18-20. In that event  
29 the bona fide nonresident pays a tax to Rhode Island on the sale at a rate equal to the rate that  
30 would be imposed in his or her state of residence not to exceed the rate that would have been  
31 imposed under § 44-18-20. Notwithstanding any other provisions of law, a licensed motor vehicle  
32 dealer shall add and collect the tax required under this subdivision and remit the tax to the tax  
33 administrator under the provisions of chapters 18 and 19 of this title. When a Rhode Island  
34 licensed motor vehicle dealer is required to add and collect the sales and use tax on the sale of a

1 motor vehicle to a bona fide nonresident as provided in this section, the dealer in computing the  
2 tax takes into consideration the law of the state of the nonresident as it relates to the trade-in of  
3 motor vehicles.

4 (ii) The tax administrator, in addition to the provisions of §§ 44-19-27 and 44-19-28, may  
5 require any licensed motor vehicle dealer to keep records of sales to bona fide nonresidents as the  
6 tax administrator deems reasonably necessary to substantiate the exemption provided in this  
7 subdivision, including the affidavit of a licensed motor vehicle dealer that the purchaser of the  
8 motor vehicle was the holder of, and had in his or her possession a valid out of state motor  
9 vehicle registration or a valid out of state driver's license.

10 (iii) Any nonresident who registers a motor vehicle in this state within ninety (90) days of  
11 the date of its sale to him or her is deemed to have purchased the motor vehicle for use, storage,  
12 or other consumption in this state, and is subject to, and liable for the use tax imposed under the  
13 provisions of § 44-18-20.

14 (14) *Sales in public buildings by blind people.* From the sale and from the storage, use, or  
15 other consumption in all public buildings in this state of all products or wares by any person  
16 licensed under § 40-9-11.1.

17 (15) *Air and water pollution control facilities.* From the sale, storage, use, or other  
18 consumption in this state of tangible personal property or supplies acquired for incorporation into  
19 or used and consumed in the operation of a facility, the primary purpose of which is to aid in the  
20 control of the pollution or contamination of the waters or air of the state, as defined in chapter 12  
21 of title 46 and chapter 25 of title 23, respectively, and which has been certified as approved for  
22 that purpose by the director of environmental management. The director of environmental  
23 management may certify to a portion of the tangible personal property or supplies acquired for  
24 incorporation into those facilities or used and consumed in the operation of those facilities to the  
25 extent that that portion has as its primary purpose the control of the pollution or contamination of  
26 the waters or air of this state. As used in this subdivision, "facility" means any land, facility,  
27 device, building, machinery, or equipment.

28 (16) *Camps.* From the rental charged for living quarters, or sleeping or housekeeping  
29 accommodations at camps or retreat houses operated by religious, charitable, educational, or  
30 other organizations and associations mentioned in subdivision (5), or by privately owned and  
31 operated summer camps for children.

32 (17) *Certain institutions.* From the rental charged for living or sleeping quarters in an  
33 institution licensed by the state for the hospitalization, custodial, or nursing care of human beings.

34 (18) *Educational institutions.* From the rental charged by any educational institution for

1 living quarters, or sleeping or housekeeping accommodations or other rooms or accommodations  
2 to any student or teacher necessitated by attendance at an educational institution. "Educational  
3 institution" as used in this section means an institution of learning not operated for profit which is  
4 empowered to confer diplomas, educational, literary, or academic degrees, which has a regular  
5 faculty, curriculum, and organized body of pupils or students in attendance throughout the usual  
6 school year, which keeps and furnishes to students and others records required and accepted for  
7 entrance to schools of secondary, collegiate, or graduate rank, no part of the net earnings of which  
8 inures to the benefit of any individual.

9 (19) *Motor vehicle and adaptive equipment for persons with disabilities.*

10 (i) From the sale of: (A) special adaptations, (B) the component parts of the special  
11 adaptations, or (C) a specially adapted motor vehicle; provided, that the owner furnishes to the  
12 tax administrator an affidavit of a licensed physician to the effect that the specially adapted motor  
13 vehicle is necessary to transport a family member with a disability or where the vehicle has been  
14 specially adapted to meet the specific needs of the person with a disability. This exemption  
15 applies to not more than one motor vehicle owned and registered for personal, noncommercial  
16 use.

17 (ii) For the purpose of this subsection the term "special adaptations" includes, but is not  
18 limited to: wheelchair lifts; wheelchair carriers; wheelchair ramps; wheelchair securements; hand  
19 controls; steering devices; extensions, relocations, and crossovers of operator controls; power-  
20 assisted controls; raised tops or dropped floors; raised entry doors; or alternative signaling  
21 devices to auditory signals.

22 (iii) From the sale of: (a) special adaptations, (b) the component parts of the special  
23 adaptations, for a "wheelchair accessible taxicab" as defined in § 39-14-1 and/or a "wheelchair  
24 accessible public motor vehicle" as defined in § 39-14.1-1.

25 (iv) For the purpose of this subdivision the exemption for a "specially adapted motor  
26 vehicle" means a use tax credit not to exceed the amount of use tax that would otherwise be due  
27 on the motor vehicle, exclusive of any adaptations. The use tax credit is equal to the cost of the  
28 special adaptations, including installation.

29 (20) *Heating fuels.* From the sale and from the storage, use, or other consumption in this  
30 state of every type of fuel used in the heating of homes and residential premises.

31 (21) *Electricity and gas.* From the sale and from the storage, use, or other consumption in  
32 this state of electricity and gas furnished for domestic use by occupants of residential premises.

33 (22) *Manufacturing machinery and equipment.*

34 (i) From the sale and from the storage, use, or other consumption in this state of tools,

1 dies, and molds, and machinery and equipment (including replacement parts), and related items to  
2 the extent used in an industrial plant in connection with the actual manufacture, conversion, or  
3 processing of tangible personal property, or to the extent used in connection with the actual  
4 manufacture, conversion or processing of computer software as that term is utilized in industry  
5 numbers 7371, 7372, and 7373 in the standard industrial classification manual prepared by the  
6 technical committee on industrial classification, office of statistical standards, executive office of  
7 the president, United States bureau of the budget, as revised from time to time, to be sold, or that  
8 machinery and equipment used in the furnishing of power to an industrial manufacturing plant.  
9 For the purposes of this subdivision, "industrial plant" means a factory at a fixed location  
10 primarily engaged in the manufacture, conversion, or processing of tangible personal property to  
11 be sold in the regular course of business;

12 (ii) Machinery and equipment and related items are not deemed to be used in connection  
13 with the actual manufacture, conversion, or processing of tangible personal property, or in  
14 connection with the actual manufacture, conversion or processing of computer software as that  
15 term is utilized in industry numbers 7371, 7372, and 7373 in the standard industrial classification  
16 manual prepared by the technical committee on industrial classification, office of statistical  
17 standards, executive office of the president, United States bureau of the budget, as revised from  
18 time to time, to be sold to the extent the property is used in administration or distribution  
19 operations;

20 (iii) Machinery and equipment and related items used in connection with the actual  
21 manufacture, conversion, or processing of any computer software or any tangible personal  
22 property which is not to be sold and which would be exempt under subdivision (7) or this  
23 subdivision if purchased from a vendor or machinery and equipment and related items used  
24 during any manufacturing, converting or processing function is exempt under this subdivision  
25 even if that operation, function, or purpose is not an integral or essential part of a continuous  
26 production flow or manufacturing process;

27 (iv) Where a portion of a group of portable or mobile machinery is used in connection  
28 with the actual manufacture, conversion, or processing of computer software or tangible personal  
29 property to be sold, as previously defined, that portion, if otherwise qualifying, is exempt under  
30 this subdivision even though the machinery in that group is used interchangeably and not  
31 otherwise identifiable as to use.

32 (23) *Trade-in value of motor vehicles.* From the sale and from the storage, use, or other  
33 consumption in this state of so much of the purchase price paid for a new or used automobile as is  
34 allocated for a trade-in allowance on the automobile of the buyer given in trade to the seller, or of

1 the proceeds applicable only to the automobile as are received from the manufacturer of  
2 automobiles for the repurchase of the automobile whether the repurchase was voluntary or not  
3 towards the purchase of a new or used automobile by the buyer. For the purpose of this  
4 subdivision, the word "automobile" means a private passenger automobile not used for hire and  
5 does not refer to any other type of motor vehicle.

6 (24) *Precious metal bullion.*

7 (i) From the sale and from the storage, use, or other consumption in this state of precious  
8 metal bullion, substantially equivalent to a transaction in securities or commodities.

9 (ii) For purposes of this subdivision, "precious metal bullion" means any elementary  
10 precious metal which has been put through a process of smelting or refining, including, but not  
11 limited to, gold, silver, platinum, rhodium, and chromium, and which is in a state or condition  
12 that its value depends upon its content and not upon its form.

13 (iii) The term does not include fabricated precious metal which has been processed or  
14 manufactured for some one or more specific and customary industrial, professional, or artistic  
15 uses.

16 (25) *Commercial vessels.* From sales made to a commercial ship, barge, or other vessel of  
17 fifty (50) tons burden or over, primarily engaged in interstate or foreign commerce, and from the  
18 repair, alteration, or conversion of the vessels, and from the sale of property purchased for the use  
19 of the vessels including provisions, supplies, and material for the maintenance and/or repair of the  
20 vessels.

21 (26) *Commercial fishing vessels.* From the sale and from the storage, use, or other  
22 consumption in this state of vessels and other water craft which are in excess of five (5) net tons  
23 and which are used exclusively for "commercial fishing", as defined in this subdivision, and from  
24 the repair, alteration, or conversion of those vessels and other watercraft, and from the sale of  
25 property purchased for the use of those vessels and other watercraft including provisions,  
26 supplies, and material for the maintenance and/or repair of the vessels and other watercraft and  
27 the boats nets, cables, tackle, and other fishing equipment appurtenant to or used in connection  
28 with the commercial fishing of the vessels and other watercraft. "Commercial fishing" means the  
29 taking or the attempting to take any fish, shellfish, crustacea, or bait species with the intent of  
30 disposing of them for profit or by sale, barter, trade, or in commercial channels. The term does  
31 not include subsistence fishing, i.e., the taking for personal use and not for sale or barter; or sport  
32 fishing; but shall include vessels and other watercraft with a Rhode Island party and charter boat  
33 license issued by the department of environmental management pursuant to § 20-2-27.1 which  
34 meet the following criteria: (i) the operator must have a current U.S.C.G. license to carry

1 passengers for hire; (ii) U.S.C.G. vessel documentation in the coast wide fishery trade; (iii)  
2 U.S.C.G. vessel documentation as to proof of Rhode Island home port status or a Rhode Island  
3 boat registration to prove Rhode Island home port status; (iv) the vessel must be used as a  
4 commercial passenger carrying fishing vessel to carry passengers for fishing. The vessel must be  
5 able to demonstrate that at least fifty percent (50%) of its annual gross income derives from  
6 charters or provides documentation of a minimum of one hundred (100) charter trips annually; (v)  
7 the vessel must have a valid Rhode Island party and charter boat license. The tax administrator  
8 shall implement the provisions of this subdivision by promulgating rules and regulations relating  
9 thereto.

10 (27) *Clothing and footwear.* From the sales of articles of clothing, including footwear,  
11 intended to be worn or carried on or about the human body for sales prior to October 1, 2012.  
12 Effective October 1, 2012, the exemption will apply to the sales of articles of clothing, including  
13 footwear, intended to be worn or carried on or about the human body up to two hundred and fifty  
14 dollars (\$250) of the sales price per item. For the purposes of this section, "clothing or footwear"  
15 does not include clothing accessories or equipment or special clothing or footwear primarily  
16 designed for athletic activity or protective use as these terms are defined in section 44-18-7.1(f).  
17 ~~In recognition of the work being performed by the Streamlined Sales and Use Tax Governing~~  
18 ~~Board, upon passage of any federal law which authorizes states to require remote sellers to collect~~  
19 ~~and remit sales and use taxes, this unlimited exemption will apply as it did prior to October 1,~~  
20 ~~2012. The unlimited exemption on sales of clothing and footwear shall take effect on the date that~~  
21 ~~the state requires remote sellers to collect and remit sales and use taxes.~~

22 (28) *Water for residential use.* From the sale and from the storage, use, or other  
23 consumption in this state of water furnished for domestic use by occupants of residential  
24 premises.

25 (29) *Bibles.* [Unconstitutional; see Ahlburn v. Clark, 728 A.2d 449 (R.I. 1999); see Notes  
26 to Decisions.] From the sale and from the storage, use, or other consumption in the state of any  
27 canonized scriptures of any tax-exempt nonprofit religious organization including, but not limited  
28 to, the Old Testament and the New Testament versions.

29 (30) *Boats.*

30 (i) From the sale of a boat or vessel to a bona fide nonresident of this state who does not  
31 register the boat or vessel in this state, or document the boat or vessel with the United States  
32 government at a home port within the state, whether the sale or delivery of the boat or vessel is  
33 made in this state or elsewhere; provided, that the nonresident transports the boat within thirty  
34 (30) days after delivery by the seller outside the state for use thereafter solely outside the state.

1 (ii) The tax administrator, in addition to the provisions of §§ 44-19-17 and 44-19-28, may  
2 require the seller of the boat or vessel to keep records of the sales to bona fide nonresidents as the  
3 tax administrator deems reasonably necessary to substantiate the exemption provided in this  
4 subdivision, including the affidavit of the seller that the buyer represented himself or herself to be  
5 a bona fide nonresident of this state and of the buyer that he or she is a nonresident of this state.

6 (31) *Youth activities equipment.* From the sale, storage, use, or other consumption in this  
7 state of items for not more than twenty dollars (\$20.00) each by nonprofit Rhode Island  
8 eleemosynary organizations, for the purposes of youth activities which the organization is formed  
9 to sponsor and support; and by accredited elementary and secondary schools for the purposes of  
10 the schools or of organized activities of the enrolled students.

11 (32) *Farm equipment.* From the sale and from the storage or use of machinery and  
12 equipment used directly for commercial farming and agricultural production; including, but not  
13 limited to, tractors, ploughs, harrows, spreaders, seeders, milking machines, silage conveyors,  
14 balers, bulk milk storage tanks, trucks with farm plates, mowers, combines, irrigation equipment,  
15 greenhouses and greenhouse coverings, graders and packaging machines, tools and supplies and  
16 other farming equipment, including replacement parts, appurtenant to or used in connection with  
17 commercial farming and tools and supplies used in the repair and maintenance of farming  
18 equipment. "Commercial farming" means the keeping or boarding of five (5) or more horses or  
19 the production within this state of agricultural products, including, but not limited to, field or  
20 orchard crops, livestock, dairy, and poultry, or their products, where the keeping, boarding, or  
21 production provides at least two thousand five hundred dollars (\$2,500) in annual gross sales to  
22 the operator, whether an individual, a group, a partnership, or a corporation for exemptions issued  
23 prior to July 1, 2002; for exemptions issued or renewed after July 1, 2002, there shall be two (2)  
24 levels. Level I shall be based on proof of annual gross sales from commercial farming of at least  
25 twenty-five hundred dollars (\$2,500) and shall be valid for purchases subject to the exemption  
26 provided in this subdivision except for motor vehicles with an excise tax value of five thousand  
27 dollars (\$5,000) or greater; Level II shall be based on proof of annual gross sales from  
28 commercial farming of at least ten thousand dollars (\$10,000) or greater and shall be valid for  
29 purchases subject to the exemption provided in this subdivision including motor vehicles with an  
30 excise tax value of five thousand dollars (\$5,000) or greater. For the initial issuance of the  
31 exemptions, proof of the requisite amount of annual gross sales from commercial farming shall be  
32 required for the prior year; for any renewal of an exemption granted in accordance with this  
33 subdivision at either Level I or Level II, proof of gross annual sales from commercial farming at  
34 the requisite amount shall be required for each of the prior two (2) years. Certificates of

1 exemption issued or renewed after July 1, 2002, shall clearly indicate the level of the exemption  
2 and be valid for four (4) years after the date of issue. This exemption applies even if the same  
3 equipment is used for ancillary uses, or is temporarily used for a non-farming or a non-  
4 agricultural purpose, but shall not apply to motor vehicles acquired after July 1, 2002, unless the  
5 vehicle is a farm vehicle as defined pursuant to § 31-1-8 and is eligible for registration displaying  
6 farm plates as provided for in § 31-3-31.

7 (33) *Compressed air.* From the sale and from the storage, use, or other consumption in  
8 the state of compressed air.

9 (34) *Flags.* From the sale and from the storage, consumption, or other use in this state of  
10 United States, Rhode Island or POW-MIA flags.

11 (35) *Motor vehicle and adaptive equipment to certain veterans.* From the sale of a motor  
12 vehicle and adaptive equipment to and for the use of a veteran with a service-connected loss of or  
13 the loss of use of a leg, foot, hand, or arm, or any veteran who is a double amputee, whether  
14 service connected or not. The motor vehicle must be purchased by and especially equipped for  
15 use by the qualifying veteran. Certificate of exemption or refunds of taxes paid is granted under  
16 rules or regulations that the tax administrator may prescribe.

17 (36) *Textbooks.* From the sale and from the storage, use, or other consumption in this  
18 state of textbooks by an "educational institution" as defined in subdivision (18) of this section and  
19 as well as any educational institution within the purview of § 16-63-9(4) and used textbooks by  
20 any purveyor.

21 (37) *Tangible personal property and supplies used in on-site hazardous waste recycling,*  
22 *reuse, or treatment.* From the sale, storage, use, or other consumption in this state of tangible  
23 personal property or supplies used or consumed in the operation of equipment, the exclusive  
24 function of which is the recycling, reuse, or recovery of materials (other than precious metals, as  
25 defined in subdivision (24)(ii) of this section) from the treatment of "hazardous wastes", as  
26 defined in § 23-19.1-4, where the "hazardous wastes" are generated in Rhode Island solely by the  
27 same taxpayer and where the personal property is located at, in, or adjacent to a generating  
28 facility of the taxpayer in Rhode Island. The taxpayer shall procure an order from the director of  
29 the department of environmental management certifying that the equipment and/or supplies as  
30 used, or consumed, qualify for the exemption under this subdivision. If any information relating  
31 to secret processes or methods of manufacture, production, or treatment is disclosed to the  
32 department of environmental management only to procure an order, and is a "trade secret" as  
33 defined in § 28-21-10(b), it is not open to public inspection or publicly disclosed unless  
34 disclosure is required under chapter 21 of title 28 or chapter 24.4 of title 23.

1           (38) *Promotional and product literature of boat manufacturers.* From the sale and from  
2 the storage, use, or other consumption of promotional and product literature of boat  
3 manufacturers shipped to points outside of Rhode Island which either: (i) accompany the product  
4 which is sold, (ii) are shipped in bulk to out of state dealers for use in the sale of the product, or  
5 (iii) are mailed to customers at no charge.

6           (39) *Food items paid for by food stamps.* From the sale and from the storage, use, or other  
7 consumption in this state of eligible food items payment for which is properly made to the retailer  
8 in the form of U.S. government food stamps issued in accordance with the Food Stamp Act of  
9 1977, 7 U.S.C. § 2011 et seq.

10          (40) *Transportation charges.* From the sale or hiring of motor carriers as defined in § 39-  
11 12-2(1) to haul goods, when the contract or hiring cost is charged by a motor freight tariff filed  
12 with the Rhode Island public utilities commission on the number of miles driven or by the  
13 number of hours spent on the job.

14          (41) *Trade-in value of boats.* From the sale and from the storage, use, or other  
15 consumption in this state of so much of the purchase price paid for a new or used boat as is  
16 allocated for a trade-in allowance on the boat of the buyer given in trade to the seller or of the  
17 proceeds applicable only to the boat as are received from an insurance claim as a result of a stolen  
18 or damaged boat, towards the purchase of a new or used boat by the buyer.

19          (42) *Equipment used for research and development.* From the sale and from the storage,  
20 use, or other consumption of equipment to the extent used for research and development purposes  
21 by a qualifying firm. For the purposes of this subdivision, "qualifying firm" means a business for  
22 which the use of research and development equipment is an integral part of its operation, and  
23 "equipment" means scientific equipment, computers, software, and related items.

24          (43) *Coins.* From the sale and from the other consumption in this state of coins having  
25 numismatic or investment value.

26          (44) *Farm structure construction materials.* Lumber, hardware and other materials used  
27 in the new construction of farm structures, including production facilities such as, but not limited  
28 to, farrowing sheds, free stall and stanchion barns, milking parlors, silos, poultry barns, laying  
29 houses, fruit and vegetable storages, rooting cellars, propagation rooms, greenhouses, packing  
30 rooms, machinery storage, seasonal farm worker housing, certified farm markets, bunker and  
31 trench silos, feed storage sheds, and any other structures used in connection with commercial  
32 farming.

33          (45) *Telecommunications carrier access service.* Carrier access service or  
34 telecommunications service when purchased by a telecommunications company from another

1 telecommunications company to facilitate the provision of telecommunications service.

2 (46) *Boats or vessels brought into the state exclusively for winter storage, maintenance,*  
3 *repair or sale.* Notwithstanding the provisions of §§ 44-18-10, 44-18-11, 44-18-20, the tax  
4 imposed by § 44-18-20 is not applicable for the period commencing on the first day of October in  
5 any year to and including the 30th day of April next succeeding with respect to the use of any  
6 boat or vessel within this state exclusively for purposes of: (i) delivery of the vessel to a facility in  
7 this state for storage, including dry storage and storage in water by means of apparatus preventing  
8 ice damage to the hull, maintenance, or repair; (ii) the actual process of storage, maintenance, or  
9 repair of the boat or vessel; or (iii) storage for the purpose of selling the boat or vessel.

10 (47) *Jewelry display product.* From the sale and from the storage, use, or other  
11 consumption in this state of tangible personal property used to display any jewelry product;  
12 provided, that title to the jewelry display product is transferred by the jewelry manufacturer or  
13 seller and that the jewelry display product is shipped out of state for use solely outside the state  
14 and is not returned to the jewelry manufacturer or seller.

15 (48) *Boats or vessels generally.* Notwithstanding the provisions of this chapter, the tax  
16 imposed by §§ 44-18-20 and 44-18-18 shall not apply with respect to the sale and to the storage,  
17 use, or other consumption in this state of any new or used boat. The exemption provided for in  
18 this subdivision does not apply after October 1, 1993, unless prior to October 1, 1993, the federal  
19 ten percent (10%) surcharge on luxury boats is repealed.

20 (49) *Banks and Regulated investment companies interstate toll-free calls.*  
21 Notwithstanding the provisions of this chapter, the tax imposed by this chapter does not apply to  
22 the furnishing of interstate and international, toll-free terminating telecommunication service that  
23 is used directly and exclusively by or for the benefit of an eligible company as defined in this  
24 subdivision; provided, that an eligible company employs on average during the calendar year no  
25 less than five hundred (500) "full-time equivalent employees", as that term is defined in § 42-  
26 64.5-2. For purposes of this section, an "eligible company" means a "regulated investment  
27 company" as that term is defined in the Internal Revenue Code of 1986, 26 U.S.C. § 1 et seq., or a  
28 corporation to the extent the service is provided, directly or indirectly, to or on behalf of a  
29 regulated investment company, an employee benefit plan, a retirement plan or a pension plan or a  
30 state chartered bank.

31 (50) *Mobile and manufactured homes generally.* From the sale and from the storage, use,  
32 or other consumption in this state of mobile and/or manufactured homes as defined and subject to  
33 taxation pursuant to the provisions of chapter 44 of title 31.

34 (51) *Manufacturing business reconstruction materials.*

1 (i) From the sale and from the storage, use or other consumption in this state of lumber,  
2 hardware, and other building materials used in the reconstruction of a manufacturing business  
3 facility which suffers a disaster, as defined in this subdivision, in this state. "Disaster" means any  
4 occurrence, natural or otherwise, which results in the destruction of sixty percent (60%) or more  
5 of an operating manufacturing business facility within this state. "Disaster" does not include any  
6 damage resulting from the willful act of the owner of the manufacturing business facility.

7 (ii) Manufacturing business facility includes, but is not limited to, the structures housing  
8 the production and administrative facilities.

9 (iii) In the event a manufacturer has more than one manufacturing site in this state, the  
10 sixty percent (60%) provision applies to the damages suffered at that one site.

11 (iv) To the extent that the costs of the reconstruction materials are reimbursed by  
12 insurance, this exemption does not apply.

13 (52) *Tangible personal property and supplies used in the processing or preparation of*  
14 *floral products and floral arrangements.* From the sale, storage, use, or other consumption in this  
15 state of tangible personal property or supplies purchased by florists, garden centers, or other like  
16 producers or vendors of flowers, plants, floral products, and natural and artificial floral  
17 arrangements which are ultimately sold with flowers, plants, floral products, and natural and  
18 artificial floral arrangements or are otherwise used in the decoration, fabrication, creation,  
19 processing, or preparation of flowers, plants, floral products, or natural and artificial floral  
20 arrangements, including descriptive labels, stickers, and cards affixed to the flower, plant, floral  
21 product or arrangement, artificial flowers, spray materials, floral paint and tint, plant shine, flower  
22 food, insecticide and fertilizers.

23 (53) *Horse food products.* From the sale and from the storage, use, or other consumption  
24 in this state of horse food products purchased by a person engaged in the business of the boarding  
25 of horses.

26 (54) *Non-motorized recreational vehicles sold to nonresidents.*

27 (i) From the sale, subsequent to June 30, 2003, of a non-motorized recreational vehicle to  
28 a bona fide nonresident of this state who does not register the non-motorized recreational vehicle  
29 in this state, whether the sale or delivery of the non-motorized recreational vehicle is made in this  
30 state or at the place of residence of the nonresident; provided, that a non-motorized recreational  
31 vehicle sold to a bona fide nonresident whose state of residence does not allow a like exemption  
32 to its nonresidents is not exempt from the tax imposed under § 44-18-20; provided, further, that in  
33 that event the bona fide nonresident pays a tax to Rhode Island on the sale at a rate equal to the  
34 rate that would be imposed in his or her state of residence not to exceed the rate that would have

1 been imposed under § 44-18-20. Notwithstanding any other provisions of law, a licensed non-  
2 motorized recreational vehicle dealer shall add and collect the tax required under this subdivision  
3 and remit the tax to the tax administrator under the provisions of chapters 18 and 19 of this title.  
4 Provided, that when a Rhode Island licensed non-motorized recreational vehicle dealer is required  
5 to add and collect the sales and use tax on the sale of a non-motorized recreational vehicle to a  
6 bona fide nonresident as provided in this section, the dealer in computing the tax takes into  
7 consideration the law of the state of the nonresident as it relates to the trade-in of motor vehicles.

8 (ii) The tax administrator, in addition to the provisions of §§ 44-19-27 and 44-19-28, may  
9 require any licensed non-motorized recreational vehicle dealer to keep records of sales to bona  
10 fide nonresidents as the tax administrator deems reasonably necessary to substantiate the  
11 exemption provided in this subdivision, including the affidavit of a licensed non-motorized  
12 recreational vehicle dealer that the purchaser of the non-motorized recreational vehicle was the  
13 holder of, and had in his or her possession a valid out-of-state non-motorized recreational vehicle  
14 registration or a valid out-of-state driver's license.

15 (iii) Any nonresident who registers a non-motorized recreational vehicle in this state  
16 within ninety (90) days of the date of its sale to him or her is deemed to have purchased the non-  
17 motorized recreational vehicle for use, storage, or other consumption in this state, and is subject  
18 to, and liable for the use tax imposed under the provisions of § 44-18-20.

19 (iv) "Non-motorized recreational vehicle" means any portable dwelling designed and  
20 constructed to be used as a temporary dwelling for travel, camping, recreational, and vacation use  
21 which is eligible to be registered for highway use, including, but not limited to, "pick-up coaches"  
22 or "pick-up campers," "travel trailers," and "tent trailers" as those terms are defined in chapter 1  
23 of title 31.

24 (55) *Sprinkler and fire alarm systems in existing buildings.* From the sale in this state of  
25 sprinkler and fire alarm systems, emergency lighting and alarm systems, and from the sale of the  
26 materials necessary and attendant to the installation of those systems, that are required in  
27 buildings and occupancies existing therein in July 2003, in order to comply with any additional  
28 requirements for such buildings arising directly from the enactment of the Comprehensive Fire  
29 Safety Act of 2003, and that are not required by any other provision of law or ordinance or  
30 regulation adopted pursuant to that Act. The exemption provided in this subdivision shall expire  
31 on December 31, 2008.

32 (56) *Aircraft.* Notwithstanding the provisions of this chapter, the tax imposed by §§ 44-  
33 18-18 and 44-18-20 shall not apply with respect to the sale and to the storage, use, or other  
34 consumption in this state of any new or used aircraft or aircraft parts.

1           (57) *Renewable energy products.* Notwithstanding any other provisions of Rhode Island  
2 general laws the following products shall also be exempt from sales tax: solar photovoltaic  
3 modules or panels, or any module or panel that generates electricity from light; solar thermal  
4 collectors, including, but not limited to, those manufactured with flat glass plates, extruded  
5 plastic, sheet metal, and/or evacuated tubes; geothermal heat pumps, including both water-to-  
6 water and water-to-air type pumps; wind turbines; towers used to mount wind turbines if  
7 specified by or sold by a wind turbine manufacturer; DC to AC inverters that interconnect with  
8 utility power lines; manufactured mounting racks and ballast pans for solar collector, module or  
9 panel installation. Not to include materials that could be fabricated into such racks; monitoring  
10 and control equipment, if specified or supplied by a manufacturer of solar thermal, solar  
11 photovoltaic, geothermal, or wind energy systems or if required by law or regulation for such  
12 systems but not to include pumps, fans or plumbing or electrical fixtures unless shipped from the  
13 manufacturer affixed to, or an integral part of, another item specified on this list; and solar storage  
14 tanks that are part of a solar domestic hot water system or a solar space heating system. If the tank  
15 comes with an external heat exchanger it shall also be tax exempt, but a standard hot water tank is  
16 not exempt from state sales tax.

17           (58) *Returned property.* The amount charged for property returned by customers upon  
18 rescission of the contract of sale when the entire amount exclusive of handling charges paid for  
19 the property is refunded in either cash or credit, and where the property is returned within one  
20 hundred twenty (120) days from the date of delivery.

21           (59) *Dietary Supplements.* From the sale and from the storage, use or other consumption  
22 of dietary supplements as defined in § 44-18-7.1(l)(v), sold on prescriptions.

23           (60) *Blood.* From the sale and from the storage, use or other consumption of human  
24 blood.

25           (61) *Agricultural products for human consumption.* From the sale and from the storage,  
26 use or other consumption of livestock and poultry of the kinds of products of which ordinarily  
27 constitute food for human consumption and of livestock of the kind the products of which  
28 ordinarily constitute fibers for human use.

29           (62) *Diesel emission control technology.* From the sale and use of diesel retrofit  
30 technology that is required by § 31-47.3-4 of the general laws.

31           (63) *Feed for certain animals used in commercial farming.* From the sale of feed for  
32 animals as described in subsection 44-18-30(61).

33           (64) *Alcoholic beverages.* From the sale and storage, use, or other consumption in this  
34 state by a Class A licensee of alcoholic beverages, as defined in § 44-18-7.1, excluding beer and

1 malt beverages from December 1, 2013 through March 31, 2015; provided, further,  
2 notwithstanding § 6-13-1 or any other general or public law to the contrary, alcoholic beverages,  
3 as defined in § 44-18-7.1, shall not be subject to minimum markup from December 1, 2013  
4 through March 31, 2015.

5 [\(65\) Electricity and gas. In recognition of the work being performed by the Streamlined](#)  
6 [Sales and Use Tax Governing Board, upon passage of any federal law which authorizes states to](#)  
7 [require remote sellers defined in § 44-18-15.2, to collect and remit sales and use taxes under](#)  
8 [chapters 18 and 19 of this title, the sale and storage, use, or other consumption in this state of](#)  
9 [electricity and gas furnished to any business shall be exempted from the taxes imposed by this](#)  
10 [chapter. This exemption shall take effect on the date that the state requires remote sellers to](#)  
11 [collect and remit sales and use tax.](#)

12 SECTION 3. This article shall take effect upon passage.

### 13 ARTICLE 15

#### 14 RELATING TO HISTORIC TAX CREDITS

15 SECTION 1. Section 1 of Article 22 of Chapter 144 of the 2013 Public Laws entitled  
16 "Relating to Making Appropriations for the Support of the State for the Fiscal Year ending June  
17 30, 2014" is hereby amended to read as follows:

18 WHEREAS, the General Assembly finds that the State of Rhode Island tax credits earned  
19 pursuant to Rhode Island General Laws chapters 44-33.2 and 44-33.6 (the "Historic Tax Credits")  
20 have had and continue to have the desired effect of stimulating, promoting and encouraging the  
21 redevelopment and reuse of historic structures by modern commercial, residential and  
22 manufacturing enterprises in order to foster civic beauty, promote public education, pleasure and  
23 welfare and otherwise generally improve and enhance the long-term economic well-being of the  
24 citizens and municipalities of the State of Rhode Island; and

25 WHEREAS, the 2008 General Assembly authorized Rhode Island Economic  
26 Development Corporation (the "RIEDC") to issue not more than three hundred fifty-six million  
27 two hundred thousand dollars (\$356.2 million) of Revenue Bonds – Historic Structures Tax  
28 Credit Financing Taxable Series to assist in the future cost of the Historic Structures Tax Credit  
29 Program; and

30 WHEREAS, this three hundred fifty-six million two hundred thousand dollars (\$356.2  
31 million) authorization included two hundred ninety-nine million nine hundred thousand dollars  
32 (\$299.9 million) to be deposited into the project fund, and the balance was authorized for a debt  
33 service reserve fund and cost of issuance; and

34 WHEREAS, allowing tax credits formerly issued to projects declared abandoned by the

1 Division of Taxation on May 15, 2013 to be reissued would stimulate and encourage the  
2 redevelopment and reuse of historic structures by modern commercial, residential and  
3 manufacturing enterprises, ~~in order to foster civic beauty, promote public education, pleasure and~~  
4 ~~welfare and otherwise generally improve and further enhance the long term economic well being~~  
5 ~~of the citizens and municipalities of the State of Rhode Island~~ however the total amount of credits  
6 requested far exceeded the total amount of credits available; now, therefore, be it

7 RESOLVED, that the RIEDC is authorized to continue with the financing as detailed in  
8 the 2008 Joint Resolution and the General Assembly hereby reaffirms the RIEDC's issuance of  
9 not more than \$356.2 million in Bonds; and be it further

10 RESOLVED, that the original amount of bonds authorized to be issued for deposit in the  
11 project fund of \$299.9 million plus the approximately \$52.1 million originally planned for a  
12 reserve fund (totaling \$352.0 million) shall be the maximum amount that can be issued to pay  
13 processing fee reimbursements on abandoned projects and to reimburse the State of Rhode Island  
14 for tax credits issued on original projects or those approved after July 1, 2013, recognizing that  
15 savings from currently abandoned projects have primarily offset the lower interest earnings on  
16 bond proceeds and the processing fees originally anticipated in 2008; and be it further

17 RESOLVED, that the RIEDC is authorized to use the Bond proceeds to pay processing  
18 fee reimbursements and to reimburse the State of Rhode Island for Historic Tax Credits approved  
19 in accordance with Rhode Island General Laws chapter 44-33.2 or 44-33.6 as well as any project  
20 approved on or after July 1, 2013; and be it further

21 RESOLVED, that the RIEDC shall continue to request the Governor to include in each of  
22 the fiscal years following the issuance of the Bonds by the RIEDC an amount equal to the debt  
23 service of the Bonds pursuant to the terms set forth in this Resolution; and be it further

24 RESOLVED, that neither the Bonds nor the Payment Agreement shall constitute  
25 indebtedness of the State or any of its subdivisions or a debt for which the full faith and credit of  
26 the State or any of its subdivisions is pledged, except to the extent that the State appropriates  
27 funds for the Bonds or the Payment Agreement subject to annual budget appropriations.

28 SECTION 2. This article shall take effect upon passage.

29 **ARTICLE 16**

30 **RELATING TO UNDERGROUND ECONOMY AND EMPLOYEE**

31 **MISCLASSIFICATION ACT**

32 SECTION 1. Title 42 of the General Laws entitled "STATE AFFAIRS AND  
33 GOVERNMENT" is hereby amended by adding thereto the following chapter:

34 CHAPTER 155

1 UNDERGROUND ECONOMY AND EMPLOYEE MISCLASSIFICATION ACT

2 **42-155-1. Short Title.** -- This chapter shall be known as the "Underground Economy and  
3 Employee Misclassification Act".

4 **42-155-2. Declaration of purpose.** -- The general assembly finds and declares that this  
5 state's economy, its workers and its businesses is harmed by the existence of an illegal  
6 underground economy in which individuals and businesses conceal their activities from  
7 government licensing, regulatory and taxing authorities. The underground economy and, in  
8 particular, the practice of employee misclassification:

9 (a) exploits vulnerable workers and deprives them of legal benefits and protections;

10 (b) gives unlawful businesses an unfair competitive advantage over lawful businesses by  
11 illegally driving down violators' taxes, wages, and other overhead costs;

12 (c) defrauds the government of substantial tax revenues; and

13 (d) harms consumers who suffer at the hands of unlicensed businesses that fail to  
14 maintain minimum levels of skills and knowledge.

15 The creation of a task force has proven to be an effective mechanism for enhancing  
16 interagency cooperation, information sharing, and the prosecution of violators.

17 **42-155-3. Task Force.**-- There is hereby established a Task Force on the Underground  
18 Economy and Employee Misclassification. The Task Force shall consist of the following  
19 members or their designees:

20 (a) the director of labor and training or designee;

21 (b) the tax administrator or designee;

22 (c) the director of business regulations or designee;

23 (d) the head of the workforce regulation and safety division or designee;

24 (e) the attorney general or designee; and

25 (f) the commissioner of the department of public safety or designee,

26 The director of labor and training shall chair the Task Force.

27 **42-155-4. Duties and Responsibilities.** -- The Task Force shall coordinate joint efforts to  
28 combat the underground economy and employee misclassification, The Task Force shall: foster  
29 voluntary compliance with the law by educating business owners and employees about applicable  
30 requirements;

31 (b) conduct joint, targeted investigations and enforcement actions against violators;

32 (c) protect the health, safety and benefit rights of workers; and

33 (d) restore competitive equality for law-abiding businesses.

34 **42-155-5. Sharing of Information.** -- Notwithstanding any other law or regulation to the

1 contrary, the Task Force shall facilitate timely information sharing between and among Task  
2 Force members, including the establishment of protocols by which participating agencies will  
3 advise or refer to other agencies matters of potential investigative interest.

4 **44-155-6. Annual Report.--** No later than March 15, 2015 and every March 15<sup>th</sup>  
5 thereafter, the Task Force shall submit a report to the governor and the chairpersons of the house  
6 finance committee and senate finance committee summarizing the Task Force's activities during  
7 the preceding year. The report shall, without limitation:

8 (a) describe the Task Force's efforts and accomplishments during the year;

9 (b) identify any administrative or legal barriers impeding the more effective operation of  
10 the Task Force, including any barriers to information sharing or joint action; and propose  
11 appropriate administrative, legislative, or regulatory changes to strengthen the Task Force's  
12 operations and enforcement efforts and reduce or eliminate any barriers to those efforts.

13 SECTION 2. The article shall take effect upon passage.

## 14 **ARTICLE 17**

### 15 **RELATING TO GOVERNMENT REFORM**

16 SECTION 1. Section 35-6-1 of the General Laws in Chapter 35-6 entitled "Accounts and  
17 Control" is hereby amended to read as follows:

18 **35-6-1. Controller – Duties in general. --** (a) Within the department of administration  
19 there shall be a controller who shall be appointed by the director of administration pursuant to  
20 chapter 4 of title 36. The controller shall be responsible for accounting and expenditure control  
21 and shall be required to:

22 (1) Administer a comprehensive accounting and recording system which will classify the  
23 transactions of the state departments and agencies in accordance with the budget plan;

24 (2) Maintain control accounts for all supplies, materials, and equipment for all  
25 departments and agencies except as otherwise provided by law;

26 (3) Prescribe a financial, accounting, and cost accounting system for state departments  
27 and agencies;

28 (4) Preaudit all state receipts and expenditures;

29 (5) Prepare financial statements required by the several departments and agencies, by the  
30 governor, or by the general assembly;

31 (6) Approve the orders drawn on the general treasurer; provided, that the preaudit of all  
32 expenditures under authority of the legislative department and the judicial department by the state  
33 controller shall be purely ministerial, concerned only with the legality of the expenditure and  
34 availability of the funds, and in no event shall the state controller interpose his or her judgment

1 regarding the wisdom or expediency of any item or items of expenditure;

2 (7) Prepare and timely file, on behalf of the state, any and all reports required by the  
3 United States, including, but not limited to, the internal revenue service, or required by any  
4 department or agency of the state, with respect to the state payroll; and

5 (8) Prepare a preliminary closing statement for each fiscal year. The controller shall  
6 forward the statement to the chairpersons of the house finance committee and the senate finance  
7 committee, with copies to the house fiscal advisor and the senate fiscal and policy advisor, by  
8 September 1 following the fiscal year ending the prior June 30 or thirty (30) days after enactment  
9 of the appropriations act, whichever is later. The report shall include but is not limited to:

10 (i) A report of all revenues received by the state in the completed fiscal year, together  
11 with the estimates adopted for that year as contained in the final enacted budget, and together  
12 with all deviations between estimated revenues and actual collections. The report shall also  
13 include cash collections and accrual adjustments;

14 (ii) A comparison of actual expenditures with each of the actual appropriations, including  
15 supplemental appropriations and other adjustments provided for in the Rhode Island General  
16 Laws;

17 (iii) A statement of the opening and closing surplus in the general revenue account; and

18 (iv) A statement of the opening surplus, activity, and closing surplus in the state budget  
19 reserve and cash stabilization account and the state bond capital fund.

20 (b) The controller shall provide supporting information on revenues, expenditures, capital  
21 projects, and debt service upon request of the house finance committee chairperson, senate  
22 finance committee chairperson, house fiscal advisor, or senate fiscal and policy advisor.

23 (c) Upon issuance of the audited annual financial statement, the controller shall provide a  
24 report of the differences between the preliminary financial report and the final report as contained  
25 in the audited annual financial statement.

26 ~~(d) Upon issuance of the audited financial statement, the controller shall transfer all  
27 general revenues received in the completed fiscal year net of transfer to the state budget reserve  
28 and cash stabilization account as required by § 35-3-20 in excess of those estimates adopted for  
29 that year as contained in the final enacted budget to the employees' retirement system of the state  
30 of Rhode Island as defined in § 36-8-2.~~

31 ~~(e)~~(d) The controller shall create a special fund not part of the general fund and shall  
32 deposit amounts equivalent to all deferred contributions under this act into that fund. Any  
33 amounts remaining in the fund on June 15, 2010, shall be transferred to the general treasurer who  
34 shall transfer such amounts into the retirement system as appropriate.

1 (e) The controller shall implement a direct deposit payroll system for state employees.

2 (i) There shall be no service charge of any type paid by the state employee at any time  
3 which shall decrease the net amount of the employee's salary deposited to the financial institution  
4 of the personal choice of the employee as a result of the use of direct deposit.

5 (ii) Employees hired after September 30, 2014, shall participate in the direct deposit  
6 system. At the time the employee is hired, the employee shall identify a financial institution that  
7 will serve as a personal depository agent for the employee.

8 (iii) No later than June 30, 2016, each employee hired before September 30, 2014, who is  
9 not a participant in the direct deposit system, shall identify a financial institution that will serve as  
10 a personal depository agent for the employee.

11 (iv) The controller shall promulgate rules and regulations as necessary for implementation  
12 and administration of the direct deposit system, which shall include limited exceptions to required  
13 participation.

14 SECTION 2. Section 36-4-16.4 of the General Laws in Chapter 36-4 entitled "Merit  
15 System" is hereby repealed.

16 ~~**36-4-16.4. Salaries of directors.** (a) In the month of March of each year, the~~  
17 ~~department of administration shall conduct a public hearing to determine salaries to be paid to~~  
18 ~~directors of all state executive departments for the following year, at which hearing all persons~~  
19 ~~shall have the opportunity to provide testimony, orally and in writing. In determining these~~  
20 ~~salaries, the department of administration will take into consideration the duties and~~  
21 ~~responsibilities of the aforementioned officers, as well as such related factors as salaries paid~~  
22 ~~executive positions in other states and levels of government, and in comparable positions~~  
23 ~~anywhere which require similar skills, experience, or training. Consideration shall also be given~~  
24 ~~to the amounts of salary adjustments made for other state employees during the period that pay~~  
25 ~~for directors was set last.~~

26 ~~(b) Each salary determined by the department of administration will be in a flat amount,~~  
27 ~~exclusive of such other monetary provisions as longevity, educational incentive awards, or other~~  
28 ~~fringe additives accorded other state employees under provisions of law, and for which directors~~  
29 ~~are eligible and entitled.~~

30 ~~(c) In no event will the department of administration lower the salaries of existing~~  
31 ~~directors during their term of office.~~

32 ~~(d) Upon determination by the department of administration, the proposed salaries of~~  
33 ~~directors will be referred to the general assembly by the last day in April of that year to go into~~  
34 ~~effect thirty (30) days hence, unless rejected by formal action of the house and the senate acting~~

1 ~~concurrently within that time.~~

2 SECTION 3. Section 36-4-16.5 of the General Laws in Chapter 36-4 entitled "Merit  
3 System" is hereby amended to read as follows:

4 **36-4-16.5. Certain unclassified positions excluded.** -- Sections 36-4-16.2 and 36-4-16.4  
5 of this chapter shall have no application to those positions enumerated in subdivisions 36-4-2(1),  
6 36-4-2(2), 36-4-2(3), and the department of administration shall have no jurisdiction over the  
7 status, tenure or salaries of those said enumerated positions.

8 SECTION 4. Sections 37-2.3-3 and 37-2.3-4 of the General Laws in Chapter 37-2.3  
9 entitled "Government Oversight and Fiscal Accountability Review Act" are hereby amended to  
10 read as follows:

11 **37-2.3-3. Definitions.** -- As used in this chapter, the following terms shall have the  
12 following meanings:

13 (1) "Agency" includes any executive office, department, division, board, commission, or  
14 other office or officer in the executive branch of the government.

15 (2) "Person" includes an individual, institution, federal, state, or local governmental  
16 entity, or any other public or private entity.

17 (3) "Private contractor employee" includes a worker directly employed by a private  
18 contractor, as defined in this section, as well as an employee of a subcontractor or an independent  
19 contractor that provides supplies or services to a private contractor.

20 (4) "Privatization or privatization contract" means an agreement or combination or series  
21 of agreements by which a non-governmental person or entity agrees with an agency to provide  
22 services expected to result in a fiscal year expenditure of at least one hundred fifty thousand  
23 dollars (\$150,000) ~~(as of July 1 each year, the amount shall increase to reflect increases in the~~  
24 ~~consumer price index calculated by the United States Bureau of Labor Statistics for all urban~~  
25 ~~consumers nationally during the most recent twelve (12) month period for which data are~~  
26 ~~available or more)~~, which would contract services which are substantially similar to and in  
27 replacement of work normally performed by an employee of an agency ~~as of June 30, 2007.~~

28 "Privatization" or "privatization contract" excludes:

29 (i) Contracts resulting from an emergency procurement;

30 (ii) Contracts with a term of one hundred eighty (180) days or less on a non-recurring  
31 basis;

32 (iii) Contracts to provide highly specialized or technical services not normally provided  
33 by state employees;

34 (iv) Any subsequent contract which: ~~(a) renews or rebids a prior privatization contract~~

1 ~~which existed before June 30, 2007; or (b)~~ renews or rebids a privatization contract that was  
2 subject to the provisions of this statute after its enactment; and

3 (v) An agreement to provide legal services or management consulting services.

4 (5) "Privatization contractor" is any contractor, consultant, ~~subcontractor~~, independent  
5 contractor or private business owner that contracts with a state agency to perform services in  
6 accordance with the definition of a "privatization contract."

7 (6) "Services" includes, with respect to a private contractor, all aspects of the provision of  
8 services provided by a private contractor pursuant to a privatization contract, ~~or any services~~  
9 ~~provided by a subcontractor of a private contractor.~~

10 **37-2.3-4. Fiscal monitoring of privatization contracts.** -- ~~Each private contractor shall~~  
11 ~~file a~~ A copy of each executed ~~subcontract~~ contract or amendment ~~to the subcontract with the~~  
12 ~~agency, which shall maintain the subcontract or amendment~~ be made available by the Division of  
13 Purchases as a public record, as defined in the access to public records act.

14 (1) *Audits.* Privatization contracts shall be subject to audit or review, as defined by the  
15 American Institute of Certified Public Accountants, by the office of the auditor general at the  
16 discretion of the auditor general. Any audit or review shall be conducted in compliance with  
17 generally accepted auditing standards.

18 (2) *Access.* All privatization contracts shall include a contract provision specifying  
19 language that provides public access to the complete contract.

20 (3) *Fiscal accountability.* As part of the budgetary process, each state agency shall  
21 ~~provide an addendum to~~ include in their submitted budget request a listing of all privatization  
22 ~~contracts;~~ ~~the name of each contractor, subcontractor, duration of the contract provided and~~  
23 ~~services provided; the total cost of each contract(s) for the prior year; and the projected number of~~  
24 ~~privatization service contracts for the current and upcoming year, the total cost of each contract(s)~~  
25 ~~for the prior year; the estimated costs of each contract(s) for the current and upcoming year. The~~  
26 ~~addendum for each agency shall also contain a summary of contracted private contractor~~  
27 ~~employees for each contract, reflected as full-time equivalent positions, their hourly wage rate,~~  
28 ~~and the number of private contractor employees and consultants for the current and previous~~  
29 ~~fiscal year.~~ For the prior fiscal year, the listing shall include the name of each contractor; a  
30 description of the services provided; the amount expended for the fiscal year; the positions  
31 employed by title, if applicable; and the hourly wage paid by position, if applicable. For the  
32 current and upcoming fiscal years, the listing shall include the name of each contractor, if known  
33 at the time the listing is prepared; a description of the services to be provided; the amount  
34 budgeted for the contract in each fiscal year; the positions to be employed by title, if known and

1 [applicable; and the hourly wage to be paid by position, if known and applicable.](#) The ~~addendums~~  
2 [listings](#) shall be ~~open records~~ [published annually online at the State's transparency portal or an](#)  
3 [equivalent website, available for public inspection, no later than December 1 of each year.](#)

4 SECTION 5. Section 37-6-2 of the General Laws in Chapter 37-6 entitled "Acquisition of  
5 Land" is hereby amended to read as follows:

6 **37-6-2. Rules, regulations, and procedures of committee.** -- (a) The state properties  
7 committee is hereby authorized and empowered to adopt and prescribe rules of procedure and  
8 regulations, and from time to time amend, change, and eliminate rules and regulations, and make  
9 such orders and perform such actions as it may deem necessary to the proper administration of  
10 this chapter and §§ 37-7-1 – 37-7-9. In the performance of the commission's duties hereunder, the  
11 commission may in any particular case prescribe a variation in procedure or regulation when it  
12 shall deem it necessary in view of the exigencies of the case and the importance of speedy action  
13 in order to carry out the intent and purpose of this chapter and §§ 37-7-1 – 37-7-9. The  
14 commission shall file written notice thereof in the office of the secretary of state. All filings shall  
15 be available for public inspection.

16 (b) The following siting criteria shall be utilized whenever current existing leases expire  
17 or additional office space is needed:

18 (1) A preference shall be given to sites designated as enterprise zone census tracts  
19 pursuant to chapter 64.3 of title 42, or in blighted and/or substandard areas pursuant to § 45-31-8,  
20 or in downtown commercial areas where it can be shown the facilities would make a significant  
21 impact on the economic vitality of the community's central business district;

22 (2) Consideration should be given to adequate access via public transportation for both  
23 employees as well as the public being served, and, where appropriate, adequate parking;

24 (3) A site must be consistent with the respective community's local comprehensive plan;

25 and (4) The division of planning within the department of administration shall be included in  
26 the evaluation of all future lease proposals.

27 (c) The state properties committee shall explain, in writing, how each site selected by the  
28 committee for a state facility meets the criteria described in subsection (b) of this section.

29 ~~(d) For any lease, rental agreement or extension of an existing rental agreement for leased~~  
30 ~~office and operating space which carries a term of five (5) years or longer, including any options~~  
31 ~~or extensions that bring the total term to five (5) years or longer, where the state is the tenant and~~  
32 ~~the aggregate rent of the terms exceeds five hundred thousand dollars (\$500,000) the state~~  
33 ~~properties committee shall request approval of the general assembly prior to entering into any~~  
34 ~~new agreements or signing any extensions with existing landlords. The state properties~~

1 ~~committee, in the form of a resolution, shall provide information relating to the purpose of the~~  
2 ~~lease or rental agreement, the agency's current lease or rental costs, the expiration date of any~~  
3 ~~present lease or rental agreement, the range of costs of a new lease or rental agreement, the~~  
4 ~~proposed term of a new agreement, and the location and owner of the desired property.~~

5 SECTION 6. Section 42-90-1 of the General Laws in Chapter 42-90 entitled "Disclosure  
6 of Names of State Government Consultants" is hereby amended to read as follows:

7 **42-90-1. Public disclosure required.** -- (a) All departments, commissions, boards,  
8 councils, other agencies in the government of the state and public corporations shall annually  
9 prepare and submit to the ~~secretary of state quarterly a~~ budget office by October 1 a list  
10 containing:

11 (1) The name of any person or vendor who performed legal, medical, accounting,  
12 engineering, or any other professional, technical or consultant service to the department,  
13 commission, board, council, agency or public corporation on a contractual basis during the  
14 previous ~~quarter~~ fiscal year; and

15 (2) The amount of compensation received by each consultant during the previous ~~quarter~~  
16 fiscal year.

17 (b) All departments, commissions, boards, councils, other agencies in the government of  
18 the state and public corporations shall prepare and submit to the ~~secretary of state~~ budget office  
19 on an annual basis by October 1 a contracting report containing:

20 (1) Digital/Electronic copies ~~A list~~ of all contracts or agreements by which a  
21 nongovernmental person or entity agrees with the department, commission, board, council,  
22 agency or public corporation to provide services, valued at one hundred fifty thousand dollars  
23 ~~(\$100,000~~ (\$150,000) or more, which are substantially similar to and in ~~lieu of services~~  
24 ~~heretofore provided, in whole or in part, by regular employees~~ replacement of work normally  
25 performed by an employee of the department, commission, board, council, agency or public  
26 corporation; ~~and.~~

27 ~~(2) A budget analysis of each contract reported pursuant to this subsection containing the~~  
28 ~~cost of each contract for the prior, current and next year; and the number of private contractor~~  
29 ~~employees reflected as full-time equivalent positions with their hourly wage rate, and costs of~~  
30 ~~benefits for each job classification for the current and previous year.~~

31 (c) The ~~secretary of state~~ budget office shall ~~compile, publish, and make available for~~  
32 ~~public inspection all lists and contracting reports prepared in accordance with this chapter~~ post  
33 electronic/digital copies of all contracts and reports online using the state's transparency portal or  
34 an equivalent website annually no later than December 1 of each year.

1 SECTION 7. Chapter 42-149 of the General Laws entitled "State Expenditures for Non-  
2 State Employee Services" is hereby repealed in its entirety.

3 ~~**42-149-1. Short title.** -- This chapter may be cited as the "State Expenditure for Non-  
4 State Employee Services."~~

5 ~~**42-149-2. Legislative intent.** -- The legislature is committed to increasing fiscal  
6 efficiency and accountability for all state expenditures.~~

7 ~~**42-149-3. State expenditures for non-state employee services.** -- All state departments  
8 shall submit quarterly reports of all non-state employee expenditures for legal services, financial  
9 services, temporary workers, and other non-state employee personnel costs. The reports shall be  
10 submitted to the state budget office and the chairpersons of the house and senate finance  
11 committees with the first report due on January 1, 2008. The reports shall contain the following  
12 information:~~

13 ~~(1) Efforts made to identify qualified individuals or services within state government;~~

14 ~~(2) Factors used in choosing a non-state employee or firm;~~

15 ~~(3) Results of requests for proposals for services or bids for services; and~~

16 ~~(4) The actual cost and the budgeted cost for the expenditure.~~

17 ~~**42-149-3.1. Assessment on state expenditures for non-state employee services.** --  
18 Whenever a department, commission, board, council, agency or public corporation incurs  
19 expenditures through contracts or agreements by which a nongovernmental person or entity  
20 agrees to provide services which are substantially similar to and in lieu of services hereto fore  
21 provided, in whole or in part, by regular employees of the department, commission, board,  
22 council, agency or public corporation covered by chapter 36-8, those expenditures shall be  
23 subject to an assessment equal to five and one half percent (5.5%) of the cost of the service. That  
24 assessment shall be paid to the retirement system on a quarterly basis in accordance with  
25 subsection 36-10-2(e).~~

26 SECTION 8. Section 2 shall be effective January 1, 2015. All other sections shall be  
27 effective upon passage.

## 28 ARTICLE 18

### 29 RELATING TO GOVERNMENT REORGANIZATION

30 SECTION 1. Sections 30-15-5 and 30-15-6 of the General Laws in Chapter 30-15  
31 entitled "Emergency Management" are hereby amended to read as follows:

32 ~~**30-15-5. Emergency management preparedness agency created -- Personnel --  
33 Facilities.** -- (a) There is hereby created within the executive department, the Rhode Island  
34 emergency management agency (hereinafter in this chapter called the "agency"), to be headed by~~

1 ~~the adjutant general of the Rhode Island national guard~~ an executive director, who shall be  
2 appointed by and serve at the pleasure of, the governor and who shall be in the unclassified  
3 service.

4 (b) The ~~adjutant general~~ executive director may employ such technical, clerical,  
5 stenographic, and other personnel, all of whom shall be in the classified service, and may make  
6 such expenditures within the appropriation therefor, or from other funds made available for the  
7 purposes of this chapter, as may be necessary to carry out the purposes of this chapter, consistent  
8 with other applicable provisions of law.

9 (c) The agency may provide itself with appropriate office space, furniture, equipment,  
10 supplies, stationery, and printing.

11 (d) The ~~adjutant general~~, executive director, subject to the direction and control of the  
12 governor, shall be the executive head of the agency, and shall be responsible to the governor for  
13 carrying out the program for disaster preparedness of this state. The ~~adjutant general~~ executive  
14 director shall coordinate the activities of all organizations for disasters within the state, and shall  
15 maintain liaison with and cooperate with disaster agencies and organizations of other states and of  
16 the federal government. The ~~adjutant general~~ executive director shall have such additional  
17 authority, duties, and responsibilities authorized by this chapter as may be prescribed by the  
18 governor.

19 **30-15-6. Advisory council.** – (a) There is hereby created the Rhode Island emergency  
20 management advisory council (hereinafter in this chapter called the "council"). The council will  
21 consist of forty (40) members as follows:

22 (1) Twenty-two (22) ex officio members as follows:

23 (i) The lieutenant governor;

24 (ii) The adjutant general;

25 (iii) The director of administration/statewide planning;

26 (iv) The director of health;

27 (v) The director of transportation;

28 (vi) The director of human services;

29 (vii) The superintendent of state police;

30 (viii) The public utilities administrator;

31 (ix) The director of the department of environmental management;

32 (x) The director of ~~mental health, retardation, and hospitals~~ department of behavioral  
33 healthcare, developmental disabilities and hospitals;

34 (xi) The director of elderly affairs;

- 1 (xii) The chairperson of the state water resources board;
- 2 (xiii) The chairperson of the governor's commission on disabilities;
- 3 (xiv) The chairperson of the Rhode Island public transit authority;
- 4 (xv) The executive director of the coastal resources management council or his or her  
5 designee;
- 6 (xvi) The executive director of the American Red Cross, Rhode Island chapter;
- 7 (xvii) The executive director of the Rhode Island emergency management agency;
- 8 (xviii) The state court administrator;
- 9 (xix) The executive director of the commission on the deaf and hard of hearing;
- 10 (xx) The director of the Providence emergency management agency;
- 11 (xxi) The executive director of E-911 emergency telephone system division;
- 12 (xxii) The federal security director of the transportation security administration for Rhode  
13 Island; and
- 14 (2) Eighteen (18) members appointed by and serving at the pleasure of the governor, as  
15 follows:
- 16 (i) Two (2) members of the senate, recommended by the president of the senate, not more  
17 than one of whom shall be from the same political party;
- 18 (ii) Two (2) members of the house of representatives, recommended by the speaker of the  
19 house, not more than one of whom shall be from the same political party;
- 20 (iii) One representative of the electric industry;
- 21 (iv) One representative of the gas industry;
- 22 (v) One representative of the telephone industry;
- 23 (vi) The executive director of the Rhode Island petroleum association or other similarly  
24 situated person;
- 25 (vii) Two (2) representatives of the general public, one who shall have expertise in  
26 disaster preparedness;
- 27 (viii) One representative of the Rhode Island league of cities and towns;
- 28 (ix) One representative of the media;
- 29 (x) One representative of the water supply industry;
- 30 (xi) One representative of the health care industry;
- 31 (xii) One representative of the Rhode Island firefighters association;
- 32 (xiii) One representative of the Rhode Island association of fire chiefs;
- 33 (xiv) One representative of a private ambulance company; and
- 34 (xv) One representative of a level I trauma hospital who shall have direct expertise in

1 disaster preparedness.

2 (b) It shall be the duty of the council to advise the governor and the ~~adjutant general~~  
3 [executive director](#) on all matters pertaining to disaster preparedness. The lieutenant governor shall  
4 serve as chairperson of the council and the ~~adjutant general~~ [executive director](#) shall serve as vice-  
5 chairperson. In providing advice to the governor and the ~~adjutant general~~, [executive director](#), the  
6 council shall, among other matters reasonably related to their authority, do the following:

7 (1) Establish a regular meeting schedule and form subcommittees as may be appropriate;

8 (2) Review emergency management plans and other matters as may be acted upon or  
9 otherwise provided for in this chapter;

10 (3) Establish priorities and goals on emergency management matters on an annual basis;

11 (4) Study emergency management plans in conjunction with the adjutant general, and  
12 otherwise conduct such other studies as may be deemed appropriate;

13 (5) Review the coordination of the state's emergency management programs with  
14 appropriate authorized agencies and conduct studies on the programs as may be necessary;

15 (6) Review the plans and operations of the various cities and towns in disaster  
16 preparedness in conjunction with the director and his or her office as required or necessary; and

17 (7) [Deleted by P.L. 2000, ch. 170, § 2];

18 (8) Provide an annual report on its activities in conjunction with the ~~adjutant general~~  
19 [executive director](#).

20 SECTION 2. Section 39-1-27.12 of the General Laws in Chapter 39-1 entitled "Public  
21 Utilities Commission" is hereby amended to read as follows:

22 **39-1-27.12. Low Income Home Energy Assistance Program Enhancement Plan. --**

23 (a) The Low Income Home Energy Assistance Program Enhancement Plan (hereinafter "LIHEAP  
24 Enhancement Plan") is hereby created to supplement the federal Low Income Household  
25 Assistance Program ("LIHEAP") funding being received by customers of Rhode Island electric  
26 and gas distribution companies.

27 (b) Within a period of time sufficient to accomplish the purposes of this section, but not  
28 longer than ninety (90) days after the effective date of this chapter, the ~~Office of Energy~~  
29 ~~Resources~~ [department of human services](#) shall develop a recommended monthly "LIHEAP  
30 Enhancement Charge" rate for the following year and make a filing with the commission pursuant  
31 to this chapter recommending rates. Thereafter annually but no later than October 15 of each  
32 year, the ~~office~~ [department](#) shall make filings with the commission to recommend the LIHEAP  
33 Enhancement Charge rates for each class of electric and natural gas distribution company  
34 customer for the following year.

1 (c) A LIHEAP Enhancement Charge approved by the Commission shall have the  
2 following limitations:

3 (1) For electric distribution company customers, the charge shall not be more than ten  
4 dollars (\$10.00) per year.

5 (2) For natural gas distribution company customers, the charge shall not be more than ten  
6 dollars (\$10.00) per year.

7 (3) The total projected annual revenue for the LIHEAP Enhancement Plan through  
8 charges to all electric and natural gas distribution company customers shall not exceed seven  
9 million five hundred thousand dollars (\$7,500,000) and shall not be below six million five  
10 hundred thousand dollars (\$6,500,000).

11 (d) The commission shall open a docket to consider for approval LIHEAP Enhancement  
12 Charge rates proposed by the ~~office~~ [department](#). In reviewing the recommended rates the  
13 commission shall give due consideration to the recommendations of the ~~office~~ [department](#) and the  
14 standards set forth in subsection (c) of this section. The commission shall issue a decision within  
15 sixty (60) days after said recommendations and report are filed with the commission establishing  
16 the Enhancement Plan Charge rates.(e) The electric or gas distribution company shall use the  
17 funds collected through this Enhancement Plan Charge to provide a credit to customers accounts  
18 that are receiving federal LIHEAP assistance payments. The ~~office of energy resources~~  
19 [department of human services](#) shall designate to the gas or electric distribution company the  
20 qualifying customer accounts and the amounts to be credited to those customer accounts,  
21 provided that the total amount to be credited to those accounts shall be fully funded by and not  
22 exceed the total amount collected through the Enhancement Plan Charge. The electric or gas  
23 distribution company's added administrative expenses to process the credit assignments provided  
24 to it by the ~~office of energy resources~~ [department of human services](#) will be recoverable either  
25 from the LIHEAP Enhancement Charge or through a separate charge approved by the Public  
26 Utilities Commission.

27 (f) As used in this section, "electric and natural gas distribution company" means a  
28 company as defined in subsection 39-1-2(12), but not including the Block Island Power Company  
29 or the Pascoag Utility District.

30 SECTION 3. Section 42-17.1-2 of the General Laws in Chapter 42-17.1 entitled  
31 "Department of Environmental Management" is hereby amended to read as follows:

32 **42-17.1-2. Powers and duties.** -- The director of environmental management shall have  
33 the following powers and duties:

34 (1) To supervise and control the protection, development, planning, and utilization of the

1 natural resources of the state, such resources, including but not limited to, water, plants, trees,  
2 soil, clay, sand, gravel, rocks and other minerals, air, mammals, birds, reptiles, amphibians, fish,  
3 shellfish, and other forms of aquatic, insect, and animal life;

4 (2) To exercise all functions, powers, and duties heretofore vested in the department of  
5 agriculture and conservation, and in each of the divisions of the department, such as the  
6 promotion of agriculture and animal husbandry in their several branches, including the inspection  
7 and suppression of contagious diseases among animals, the regulation of the marketing of farm  
8 products, the inspection of orchards and nurseries, the protection of trees and shrubs from  
9 injurious insects and diseases, protection from forest fires, the inspection of apiaries and the  
10 suppression of contagious diseases among bees, prevention of the sale of adulterated or  
11 misbranded agricultural seeds, promotion and encouragement of the work of farm bureaus in  
12 cooperation with the University of Rhode Island, farmers' institutes and the various organizations  
13 established for the purpose of developing an interest in agriculture, together with such other  
14 agencies and activities as the governor and the general assembly may from time to time place  
15 under the control of the department, and as heretofore vested by such of the following chapters  
16 and sections of the general laws as are presently applicable to the department of environmental  
17 management and which were previously applicable to the department of natural resources and the  
18 department of agriculture and conservation or to any of its divisions: chapters 1 through 22,  
19 inclusive, as amended, in title 2 entitled "Agriculture and Forestry;" chapters 1 through 17,  
20 inclusive, as amended, in title 4 entitled "Animals and Animal Husbandry;" chapters 1 through  
21 19, inclusive, as amended, in title 20 entitled "Fish and Wildlife;" chapters 1 through 32,  
22 inclusive, as amended, in title 21 entitled "Food and Drugs;" chapter 7 of title 23 as amended,  
23 entitled "Mosquito Abatement;" and by any other general or public law relating to the department  
24 of agriculture and conservation or to any of its divisions or bureaus;

25 (3) To exercise all the functions, powers, and duties heretofore vested in the division of  
26 parks and recreation of the department of public works by chapters 1, 2, and 5 in title 32 entitled  
27 "Parks and Recreational Areas;" by chapter 22.5 of title 23, as amended, entitled "Drowning  
28 Prevention and Lifesaving;" and by any other general or public law relating to the division of  
29 parks and recreation;

30 (4) To exercise all the functions, powers, and duties heretofore vested in the division of  
31 harbors and rivers of the department of public works, or in the department itself by such as were  
32 previously applicable to the division or the department, of chapters 1 through 22 and sections  
33 thereof, as amended, in title 46 entitled "Waters and Navigation"; and by any other general or  
34 public law relating to the division of harbors and rivers;

1           (5) To exercise all the functions, powers and duties heretofore vested in the department of  
2 health by chapters 25, 18.9, and 19.5 of title 23, as amended, entitled "Health and Safety;" and by  
3 chapters 12 and 16 of title 46, as amended, entitled "Waters and Navigation"; by chapters 3, 4, 5,  
4 6, 7, 9, 11, 13, 18, and 19 of title 4, as amended, entitled "Animals and Animal Husbandry;" and  
5 those functions, powers, and duties specifically vested in the director of environmental  
6 management by the provisions of § 21-2-22, as amended, entitled "Inspection of Animals and  
7 Milk;" together with other powers and duties of the director of the department of health as are  
8 incidental to or necessary for the performance of the functions transferred by this section;

9           (6) To cooperate with the Rhode Island economic development corporation in its  
10 planning and promotional functions, particularly in regard to those resources relating to  
11 agriculture, fisheries, and recreation;

12           (7) To cooperate with, advise, and guide conservation commissions of cities and towns  
13 created under chapter 35 of title 45 entitled "Conservation Commissions", as enacted by chapter  
14 203 of the Public Laws, 1960;

15           (8) To assign or reassign, with the approval of the governor, any functions, duties, or  
16 powers established by this chapter to any agency within the department, except as hereinafter  
17 limited;

18           (9) To cooperate with the water resources board and to provide to the board facilities,  
19 administrative support, staff services, and such other services as the board shall reasonably  
20 require for its operation and, in cooperation with the board and the statewide planning program to  
21 formulate and maintain a long range guide plan and implementing program for development of  
22 major water sources transmissions systems needed to furnish water to regional and local  
23 distribution systems;

24           (10) To cooperate with the solid waste management corporation and to provide to the  
25 corporation such facilities, administrative support, staff services and such other services within  
26 the department as the corporation shall reasonably require for its operation;

27           (11) To provide for the maintenance of waterways and boating facilities, consistent with  
28 chapter 6.1 of title 46, by: (i) establishing minimum standards for upland beneficial use and  
29 disposal of dredged material; (ii) promulgating and enforcing rules for water quality, ground  
30 water protection, and fish and wildlife protection pursuant to § 42-17.1-24; (iii) planning for the  
31 upland beneficial use and/or disposal of dredged material in areas not under the jurisdiction of the  
32 council pursuant to § 46-23-6(2); and (iv) cooperating with the coastal resources management  
33 council in the development and implementation of comprehensive programs for dredging as  
34 provided for in §§ 46-23-6(1)(ii)(H) and 46-23-18.3; and (v) monitoring dredge material

1 management and disposal sites in accordance with the protocols established pursuant to § 46-6.1-  
2 5(3) and the comprehensive program provided for in § 46-23-6(1)(ii)(H); no powers or duties  
3 granted herein shall be construed to abrogate the powers or duties granted to the coastal resources  
4 management council under chapter 23 of title 46, as amended;

5 (12) To establish minimum standards, subject to the approval of the environmental  
6 standards board, relating to the location, design, construction and maintenance of all sewage  
7 disposal systems;

8 (13) To enforce, by such means as provided by law, the standards for the quality of air,  
9 and water, and the design, construction and operation of all sewage disposal systems; any order or  
10 notice issued by the director relating to the location, design, construction or maintenance of a  
11 sewage disposal system shall be eligible for recordation under chapter 13 of title 34. The director  
12 shall forward the order or notice to the city or town wherein the subject property is located and  
13 the order or notice shall be recorded in the general index by the appropriate municipal official in  
14 the land evidence records in the city or town wherein the subject property is located. Any  
15 subsequent transferee of that property shall be responsible for complying with the requirements of  
16 the order or notice. Upon satisfactory completion of the requirements of the order or notice, the  
17 director shall provide written notice of the same, which notice shall be similarly eligible for  
18 recordation. The original written notice shall be forwarded to the city or town wherein the subject  
19 property is located and the notice of satisfactory completion shall be recorded in the general index  
20 by the appropriate municipal official in the land evidence records in the city or town wherein the  
21 subject property is located. A copy of the written notice shall be forwarded to the owner of the  
22 subject property within five (5) days of a request for it, and, in any event, shall be forwarded to  
23 the owner of the subject property within thirty (30) days after correction;

24 (14) To establish minimum standards for the establishment and maintenance of salutary  
25 environmental conditions, including standards and methods for the assessment and the  
26 consideration of the cumulative effects on the environment of regulatory actions and decisions,  
27 which standards for consideration of cumulative effects shall provide for: (i) evaluation of  
28 potential cumulative effects that could adversely effect public health and/or impair ecological  
29 functioning; (ii) analysis of such other matters relative to cumulative effects as the department  
30 may deem appropriate in fulfilling its duties, functions and powers; which standards and methods  
31 shall only be applicable to ISDS systems in the town of Jamestown in areas that are dependent for  
32 water supply on private and public wells, unless broader use is approved by the general assembly.  
33 The department shall report to the general assembly not later than March 15, 2008 with regard to  
34 the development and application of such standards and methods in Jamestown.

1 (15) To establish and enforce minimum standards for permissible types of septage,  
2 industrial waste disposal sites and waste oil disposal sites;

3 (16) To establish minimum standards subject to the approval of the environmental  
4 standards board for permissible types of refuse disposal facilities, the design, construction,  
5 operation, and maintenance of disposal facilities; and the location of various types of facilities;

6 (17) To exercise all functions, powers, and duties necessary for the administration of  
7 chapter 19.1 of title 23 entitled "Rhode Island Hazardous Waste Management Act";

8 (18) To designate in writing any person in any department of the state government or any  
9 official of a district, county, city, town, or other governmental unit, with that official's consent, to  
10 enforce any rule, regulation, or order promulgated and adopted by the director under any  
11 provision of law; provided, however, that enforcement of powers of the coastal resources  
12 management council shall be assigned only to employees of the department of environmental  
13 management, except by mutual agreement or as otherwise provided in chapter 23 of title 46;

14 (19) To issue and enforce such rules, regulations, and orders as may be necessary to carry  
15 out the duties assigned to the director and the department by any provision of law; and to conduct  
16 such investigations and hearings and to issue, suspend, and revoke such licenses as may be  
17 necessary to enforce those rules, regulations, and orders.

18 Notwithstanding the provisions of § 42-35-9 to the contrary, no informal disposition of a  
19 contested licensing matter shall occur where resolution substantially deviates from the original  
20 application unless all interested parties shall be notified of said proposed resolution and provided  
21 with opportunity to comment upon said resolution pursuant to applicable law and any rules and  
22 regulations established by the director.

23 (20) To enter, examine or survey at any reasonable time such places as the director deems  
24 necessary to carry out his or her responsibilities under any provision of law subject to the  
25 following provisions:

26 (i) For criminal investigations, the director shall, pursuant to chapter 5 of title 12, seek a  
27 search warrant from an official of a court authorized to issue warrants, unless a search without a  
28 warrant is otherwise allowed or provided by law;

29 (ii) All administrative inspections shall be conducted pursuant to administrative  
30 guidelines promulgated by the department in accordance with chapter 35 of title 42.

31 (B) A warrant shall not be required for administrative inspections if conducted under the  
32 following circumstances, in accordance with the applicable constitutional standards:

33 (I) For closely regulated industries;

34 (II) In situations involving open fields or conditions that are in plain view;

1 (III) In emergency situations;

2 (IV) In situations presenting an imminent threat to the environment or public health,  
3 safety or welfare;

4 (V) If the owner, operator, or agent in charge of the facility, property, site or location  
5 consents; or

6 (VI) In other situations in which a warrant is not constitutionally required.

7 (C) Whenever it shall be constitutionally or otherwise required by law, or whenever the  
8 director in his or her discretion deems it advisable, an administrative search warrant, or its  
9 functional equivalent, may be obtained by the director from a neutral magistrate for the purpose  
10 of conducting an administrative inspection. The warrant shall be issued in accordance with the  
11 applicable constitutional standards for the issuance of administrative search warrants. The  
12 administrative standard of probable cause, not the criminal standard of probable cause, shall  
13 apply to applications for administrative search warrants.

14 (I) The need for, or reliance upon, an administrative warrant shall not be construed as  
15 requiring the department to forfeit the element of surprise in its inspection efforts.

16 (II) An administrative warrant issued pursuant to this subsection must be executed and  
17 returned within ten (10) days of its issuance date unless, upon a showing of need for additional  
18 time, the court orders otherwise.

19 (III) An administrative warrant may authorize the review and copying of documents that  
20 are relevant to the purpose of the inspection. If documents must be seized for the purpose of  
21 copying, and the warrant authorizes such seizure, the person executing the warrant shall prepare  
22 an inventory of the documents taken. The time, place and manner regarding the making of the  
23 inventory shall be set forth in the terms of the warrant itself, as dictated by the court. A copy of  
24 the inventory shall be delivered to the person from whose possession or facility the documents  
25 were taken. The seized documents shall be copied as soon as feasible under circumstances  
26 preserving their authenticity, then returned to the person from whose possession or facility the  
27 documents were taken.

28 (IV) An administrative warrant may authorize the taking of samples of air, water or soil  
29 or of materials generated, stored or treated at the facility, property, site or location. Upon request,  
30 the department shall make split samples available to the person whose facility, property, site or  
31 location is being inspected.

32 (V) Service of an administrative warrant may be required only to the extent provided for  
33 in the terms of the warrant itself, by the issuing court.

34 (D) *Penalties.* Any willful and unjustified refusal of right of entry and inspection to

1 department personnel pursuant to an administrative warrant shall constitute a contempt of court  
2 and shall subject the refusing party to sanctions, which in the court's discretion may result in up to  
3 six (6) months imprisonment and/or a monetary fine of up to ten thousand dollars (\$10,000) per  
4 refusal.

5 (21) To give notice of an alleged violation of law to the person responsible therefor  
6 whenever the director determines that there are reasonable grounds to believe that there is a  
7 violation of any provision of law within his or her jurisdiction or of any rule or regulation adopted  
8 pursuant to authority granted to him or her, unless other notice and hearing procedure is  
9 specifically provided by that law. Nothing in this chapter shall limit the authority of the attorney  
10 general to prosecute offenders as required by law.

11 (i) The notice shall provide for a time within which the alleged violation shall be  
12 remedied, and shall inform the person to whom it is directed that a written request for a hearing  
13 on the alleged violation may be filed with the director within ten (10) days after service of the  
14 notice. The notice will be deemed properly served upon a person if a copy thereof is served him  
15 or her personally, or sent by registered or certified mail to his or her last known address, or if he  
16 or she is served with notice by any other method of service now or hereafter authorized in a civil  
17 action under the laws of this state. If no written request for a hearing is made to the director  
18 within ten (10) days of the service of notice, the notice shall automatically become a compliance  
19 order.

20 (ii) Whenever the director determines that there exists a violation of any law, rule, or  
21 regulation within his or her jurisdiction which requires immediate action to protect the  
22 environment, he or she may, without prior notice of violation or hearing, issue an immediate  
23 compliance order stating the existence of the violation and the action he or she deems necessary.  
24 The compliance order shall become effective immediately upon service or within such time as is  
25 specified by the director in such order. No request for a hearing on an immediate compliance  
26 order may be made.

27 (B) Any immediate compliance order issued under this section without notice and prior  
28 hearing shall be effective for no longer than forty-five (45) days; provided, however, that for  
29 good cause shown the order may be extended one additional period not exceeding forty-five (45)  
30 days.

31 (iii) The director may, at his or her discretion and for the purposes of timely and effective  
32 resolution and return to compliance, cite a person for alleged noncompliance through the issuance  
33 of an expedited citation in accordance with subsection 42-17.6-3(c).

34 (iv) If a person upon whom a notice of violation has been served under the provisions of

1 this section or if a person aggrieved by any such notice of violation requests a hearing before the  
2 director within ten (10) days of the service of notice of violation, the director shall set a time and  
3 place for the hearing, and shall give the person requesting that hearing at least five (5) days  
4 written notice thereof. After the hearing, the director may make findings of fact and shall sustain,  
5 modify, or withdraw the notice of violation. If the director sustains or modifies the notice, that  
6 decision shall be deemed a compliance order and shall be served upon the person responsible in  
7 any manner provided for the service of the notice in this section.

8 (v) The compliance order shall state a time within which the violation shall be remedied,  
9 and the original time specified in the notice of violation shall be extended to the time set in the  
10 order.

11 (vi) Whenever a compliance order has become effective, whether automatically where no  
12 hearing has been requested, where an immediate compliance order has been issued, or upon  
13 decision following a hearing, the director may institute injunction proceedings in the superior  
14 court of the state for enforcement of the compliance order and for appropriate temporary relief,  
15 and in that proceeding the correctness of a compliance order shall be presumed and the person  
16 attacking the order shall bear the burden of proving error in the compliance order, except that the  
17 director shall bear the burden of proving in the proceeding the correctness of an immediate  
18 compliance order. The remedy provided for in this section shall be cumulative and not exclusive  
19 and shall be in addition to remedies relating to the removal or abatement of nuisances or any  
20 other remedies provided by law.

21 (vii) Any party aggrieved by a final judgment of the superior court may, within thirty (30)  
22 days from the date of entry of such judgment, petition the supreme court for a writ of certiorari to  
23 review any questions of law. The petition shall set forth the errors claimed. Upon the filing of the  
24 petition with the clerk of the supreme court, the supreme court may, if it sees fit, issue its writ of  
25 certiorari;

26 (22) To impose administrative penalties in accordance with the provisions of chapter 17.6  
27 of this title and to direct that such penalties be paid into the account established by subdivision  
28 (26); and

29 (23) The following definitions shall apply in the interpretation of the provisions of this  
30 chapter:

31 (i) *Director*: The term "director" shall mean the director of environmental management of  
32 the state of Rhode Island or his or her duly authorized agent.

33 (ii) *Person*: The term "person" shall include any individual, group of individuals, firm,  
34 corporation, association, partnership or private or public entity, including a district, county, city,

1 town, or other governmental unit or agent thereof, and in the case of a corporation, any individual  
2 having active and general supervision of the properties of such corporation.

3 (iii) *Service:* (A) Service upon a corporation under this section shall be deemed to include  
4 service upon both the corporation and upon the person having active and general supervision of  
5 the properties of such corporation.

6 (B) For purposes of calculating the time within which a claim for a hearing is made  
7 pursuant to subdivision (21)(i) of this section heretofore, service shall be deemed to be the date of  
8 receipt of such notice or three (3) days from the date of mailing of said notice, whichever shall  
9 first occur.

10 (24) To conduct surveys of the present private and public camping and other recreational  
11 areas available and to determine the need for and location of such other camping and recreational  
12 areas as may be deemed necessary and in the public interest of the state of Rhode Island and to  
13 report back its findings on an annual basis to the general assembly on or before March 1 of every  
14 year;

15 (ii) Additionally, the director of the department of environmental management shall take  
16 such additional steps, including but not limited to, matters related to funding as may be necessary  
17 to establish such other additional recreational facilities and areas as are deemed to be in the public  
18 interest.

19 (25) To apply for and accept grants and bequests of funds with the approval of the  
20 director of administration from other states, interstate agencies and independent authorities, and  
21 private firms, individuals and foundations, for the purpose of carrying out his or her lawful  
22 responsibilities. The funds shall be deposited with the general treasurer in a restricted receipt  
23 account created in the Natural Resources Program for funds made available for that program's  
24 purposes or in a restricted receipt account created in the Environmental Protection Program for  
25 funds made available for that program's purposes. All expenditures from the accounts shall be  
26 subject to appropriation by the general assembly, and shall be expended in accordance with the  
27 provisions of the grant or bequest. In the event that a donation or bequest is unspecified or in the  
28 event that the trust account balance shows a surplus after the project as provided for in the grant  
29 or bequest has been completed, the director may utilize said appropriated unspecified or  
30 appropriated surplus funds for enhanced management of the department's forest and outdoor  
31 public recreation areas, or other projects or programs that promote the accessibility of recreational  
32 opportunities for Rhode Island residents and visitors.

33 (ii) The director shall submit to the house fiscal advisor and the senate fiscal advisor, by  
34 October 1 of each year, a detailed report on the amount of funds received and the uses made of

1 such funds.

2 (26) To establish fee schedules by regulation with the approval of the governor for the  
3 processing of applications and the performing of related activities in connection with the  
4 department's responsibilities pursuant to subdivision (12) of this section, chapter 19.1 of title 23  
5 as it relates to inspections performed by the department to determine compliance with chapter  
6 19.1 and rules and regulations promulgated in accordance therewith, chapter 18.9 of title 23 as it  
7 relates to inspections performed by the department to determine compliance with chapter 18.9  
8 and the rules and regulations promulgated in accordance therewith, chapters 19.5 and 23 of title  
9 23; chapter 12 of title 46 insofar as it relates to water quality certifications and related reviews  
10 performed pursuant to provisions of the federal Clean Water Act, the regulation and  
11 administration of underground storage tanks and all other programs administered under chapter  
12 12 of title 46 and § 2-1-18 et seq., and chapter 13.1 of title 46 and chapter 13.2 of title 46 insofar  
13 as they relate to any reviews and related activities performed under the provisions of the  
14 Groundwater Protection Act, chapter 23-24.9 as it relates to the regulation and administration of  
15 mercury-added products, and chapter 17.7 of this title insofar as it relates to administrative  
16 appeals of all enforcement, permitting and licensing matters to the administrative adjudication  
17 division for environmental matters. Two (2) fee ranges shall be required: for "Appeal of  
18 enforcement actions", a range of fifty dollars (\$50) to one hundred dollars (\$100), and for  
19 "Appeal of application decisions", a range of five hundred dollars (\$500) to ten thousand dollars  
20 (\$10,000). The monies from the administrative adjudication fees will be deposited as general  
21 revenues and the amounts appropriated shall be used for the costs associated with operating the  
22 administrative adjudication division.

23 There is hereby established an account within the general fund to be called the water and  
24 air protection program. The account shall consist of sums appropriated for water and air pollution  
25 control and waste monitoring programs and the state controller is hereby authorized and directed  
26 to draw his or her orders upon the general treasurer for the payment of such sums or such portions  
27 thereof as may be required from time to time upon receipt by him or her of properly authenticated  
28 vouchers. All amounts collected under the authority of this subdivision for the sewage disposal  
29 system program and fresh waters wetlands program will be deposited as general revenues and the  
30 amounts appropriated shall be used for the purposes of administering and operating the programs.  
31 The director shall submit to the house fiscal advisor and the senate fiscal advisor by January 15 of  
32 each year a detailed report on the amount of funds obtained from fines and fees and the uses made  
33 of such funds.

34 (27) To establish and maintain a list or inventory of areas within the state worthy of

1 special designation as "scenic" to include, but not be limited to, certain state roads or highways,  
2 scenic vistas and scenic areas, and to make the list available to the public.

3 (28) To establish and maintain an inventory of all interests in land held by public and  
4 private land trust and to exercise all powers vested herein to insure the preservation of all  
5 identified lands.

6 (i) The director may promulgate and enforce rules and regulations to provide for the  
7 orderly and consistent protection, management, continuity of ownership and purpose, and  
8 centralized records-keeping for lands, water, and open spaces owned in fee or controlled in full or  
9 in part through other interests, rights, or devices such as conservation easements or restrictions,  
10 by private and public land trusts in Rhode Island. The director may charge a reasonable fee for  
11 filing of each document submitted by a land trust.

12 (ii) The term "public land trust" means any public instrumentality created by a Rhode  
13 Island municipality for the purposes stated herein and financed by means of public funds  
14 collected and appropriated by the municipality. The term "private land trust" means any group of  
15 five (5) or more private citizens of Rhode Island who shall incorporate under the laws of Rhode  
16 Island as a nonbusiness corporation for the purposes stated herein, or a national organization such  
17 as the nature conservancy. The main purpose of either a public or a private land trust shall be the  
18 protection, acquisition, or control of land, water, wildlife, wildlife habitat, plants, and/or other  
19 natural features, areas, or open space for the purpose of managing or maintaining, or causing to  
20 be managed or maintained by others, the land, water, and other natural amenities in any  
21 undeveloped and relatively natural state in perpetuity. A private land trust must be granted  
22 exemption from federal income tax under Internal Revenue Code 501c(3) [26 U.S.C. § 501(c)(3)]  
23 within two (2) years of its incorporation in Rhode Island or it may not continue to function as a  
24 land trust in Rhode Island. A private land trust may not be incorporated for the exclusive purpose  
25 of acquiring or accepting property or rights in property from a single individual, family,  
26 corporation, business, partnership, or other entity. Membership in any private land trust must be  
27 open to any individual subscribing to the purposes of the land trust and agreeing to abide by its  
28 rules and regulations including payment of reasonable dues.

29 (iii) Private land trusts will, in their articles of association or their bylaws, as appropriate,  
30 provide for the transfer to an organization created for the same or similar purposes the assets,  
31 lands and land rights and interests held by the land trust in the event of termination or dissolution  
32 of the land trust.

33 (B) All land trusts, public and private, will record in the public records of the appropriate  
34 towns and cities in Rhode Island all deeds, conservation easements or restrictions or other

1 interests and rights acquired in land and will also file copies of all such documents and current  
2 copies of their articles of association, their bylaws, and annual reports with the secretary of state,  
3 and with the director of the Rhode Island department of environmental management. The director  
4 is hereby directed to establish and maintain permanently a system for keeping records of all  
5 private and public land trust land holdings in Rhode Island.

6 (29) The director will contact in writing, not less often than once every two (2) years,  
7 each public or private land trust to ascertain: that all lands held by the land trust are recorded with  
8 the director; the current status and condition of each land holding; that any funds or other assets  
9 of the land trust held as endowment for specific lands have been properly audited at least once  
10 within the two (2) year period; the name of the successor organization named in the public or  
11 private land trust's bylaws or articles of association; and any other information the director deems  
12 essential to the proper and continuous protection and management of land and interests or rights  
13 in land held by the land trust. In the event that the director determines that a public or private land  
14 trust holding land or interest in land appears to have become inactive, he or she shall initiate  
15 proceedings to effect the termination of the land trust and the transfer of its lands, assets, land  
16 rights, and land interests to the successor organization named in the defaulting trust's bylaws or  
17 articles of association or to another organization created for the same or similar purposes. Should  
18 such a transfer not be possible, then the land trust, assets, and interest and rights in land will be  
19 held in trust by the state of Rhode Island and managed by the director for the purposes stated at  
20 the time of original acquisition by the trust. Any trust assets or interests other than land or rights  
21 in land accruing to the state under such circumstances will be held and managed as a separate  
22 fund for the benefit of the designated trust lands.

23 (30) Consistent with federal standards, issue and enforce such rules, regulations and  
24 orders as may be necessary to establish requirements for maintaining evidence of financial  
25 responsibility for taking corrective action and compensating third parties for bodily injury and  
26 property damage caused by sudden and non-sudden accidental releases arising from operating  
27 underground storage tanks.

28 (31) To enforce, by such means as provided by law, the standards for the quality of air,  
29 and water, and the location, design, construction and operation of all underground storage  
30 facilities used for storing petroleum products or hazardous materials; any order or notice issued  
31 by the director relating to the location, design construction, operation or maintenance of an  
32 underground storage facility used for storing petroleum products or hazardous materials shall be  
33 eligible for recordation under chapter 13 of title 34. The director shall forward the order or notice  
34 to the city or town wherein the subject facility is located, and the order or notice shall be recorded

1 in the general index by the appropriate municipal officer in the land evidence records in the city  
2 or town wherein the subject facility is located. Any subsequent transferee of that facility shall be  
3 responsible for complying with the requirements of the order or notice. Upon satisfactory  
4 completion of the requirements of the order or notice, the director shall provide written notice of  
5 the same, which notice shall be eligible for recordation. The original written notice shall be  
6 forwarded to the city or town wherein the subject facility is located, and the notice of satisfactory  
7 completion shall be recorded in the general index by the appropriate municipal official in the land  
8 evidence records in the city or town wherein the subject facility is located. A copy of the written  
9 notice shall be forwarded to the owner of the subject facility within five (5) days of a request for  
10 it, and, in any event, shall be forwarded to the owner of the subject facility within thirty (30) days  
11 after correction.

12 (32) To manage and disburse any and all funds collected pursuant to § 46-12.9-4, in  
13 accordance with § 46-12.9-5, and other provisions of the Rhode Island Underground Storage  
14 Tank Financial Responsibility Act, as amended.

15 (33) To support, facilitate and assist the Rhode Island Natural History Survey, as  
16 appropriate and/or as necessary, in order to accomplish the important public purposes of the  
17 survey in gathering and maintaining data on Rhode Island natural history, making public  
18 presentations and reports on natural history topics, ranking species and natural communities,  
19 monitoring rare species and communities, consulting on open space acquisitions and management  
20 plans, reviewing proposed federal and state actions and regulations with regard to their potential  
21 impact on natural communities, and seeking outside funding for wildlife management, land  
22 management and research.

23 (34) To promote the effective stewardship of lakes and ponds including collaboration  
24 with associations of lakefront property owners on planning and management actions that will  
25 prevent and mitigate water quality degradation, the loss of native habitat due to infestation of  
26 non-native species and nuisance conditions that result from excessive growth of algal or non-  
27 native plant species. By January 31, 2012, the director shall prepare and submit a report to the  
28 governor and general assembly that based upon available information provides: (a) an assessment  
29 of lake conditions including a description of the presence and extent of aquatic invasive species in  
30 lakes and ponds; (b) recommendations for improving the control and management of aquatic  
31 invasives species in lakes and ponds; and (c) an assessment of the feasibility of instituting a boat  
32 sticker program for the purpose of generating funds to support implementation actions to control  
33 aquatic invasive species in the freshwaters of the state.

34 [\(35\) In implementing the programs established pursuant to this chapter, to identify](#)

1 critical areas for improving service to customers doing business with the department, and to  
2 develop and implement strategies to improve performance and effectiveness in those areas. Key  
3 aspects of a customer service program shall include, but not necessarily be limited to, the  
4 following components:

5 (a) Maintenance of an organizational unit within the department with the express purpose  
6 of providing technical assistance to customers and helping customers comply with environmental  
7 regulations and requirements;

8 (b) Maintenance of an employee training program to promote customer service across the  
9 department;

10 (c) Implementation of a continuous business process evaluation and improvement effort,  
11 including process reviews to encourage development of quality proposals, ensure timely and  
12 predictable reviews, and result in effective decisions and consistent follow up and implementation  
13 throughout the department, and publish an annual report on such efforts;

14 (d) Creation of a centralized location for the acceptance of permit applications and other  
15 submissions to the department;

16 (e) Maintenance of a process to promote, organize, and facilitate meetings prior to the  
17 submission of applications or other proposals in order to inform the applicant on options and  
18 opportunities to minimize environmental impact, improve the potential for sustainable  
19 environmental compliance, and support an effective and efficient review and decision-making  
20 process on permit applications related to the proposed project;

21 (f) Development of single permits under multiple authorities otherwise provided in state  
22 law to support comprehensive and coordinated reviews of proposed projects. The director may  
23 address and resolve conflicting or redundant process requirements in order to achieve an effective  
24 and efficient review process that meets environmental objectives; and

25 (g) Exploration of the use of performance-based regulations coupled with adequate  
26 inspection and oversight, as an alternative to requiring applications or submissions for approval  
27 prior to initiation of projects. The department shall work with the office of regulatory reform to  
28 evaluate the potential for adopting alternative compliance approaches and provide a report to the  
29 governor and the general assembly by May 1, 2015.

30 SECTION 4. This article shall take effect as of July 1, 2014.

31 **ARTICLE 19**

32 **RELATING TO EXECUTIVE OFFICE OF COMMERCE**

33 SECTION 1. Section 42-35.1-5 of the General Laws in Chapter 42-35.1 entitled "Small  
34 Business Regulatory Fairness in Administrative Procedures" is hereby amended to read as

1 follows:

2 **42-35.1-5. Small business enforcement ombudsman.** -- (a) The director of the  
3 ~~economic development corporation~~ [office of regulatory reform](#) shall designate an existing staff  
4 member as a "small business regulatory enforcement ombudsman", who shall report directly to  
5 the director.

6 (b) The ombudsman shall:

7 (1) Work with each agency with regulatory authority over small businesses to ensure that  
8 small business concerns that receive or are subject to an audit, on-site inspection, compliance  
9 assistance effort, or other enforcement related communication or contact by agency personnel are  
10 provided with a means to comment on the enforcement activity conducted by such personnel;

11 (2) Establish means to receive comments from small business concerns regarding actions  
12 by agency employees conducting compliance or enforcement activities;

13 (3) Within six (6) months of appointment, work with each regulating entity to develop  
14 and publish reporting policies;

15 (4) Based on substantiated comments received from small business concerns the  
16 ombudsman shall annually report to the general assembly and affected agencies evaluating the  
17 enforcement activities of agency personnel including a rating of the responsiveness of the  
18 regulatory agencies policies;

19 (5) Coordinate and report annually on the activities, findings and recommendations to the  
20 general assembly and the directors of affected agencies; and

21 (6) Provide the affected agency with an opportunity to comment on reports prepared  
22 pursuant to this chapter, and include a section of the final report in which the affected agency may  
23 make such comments as are not addressed by the ombudsman.

24 SECTION 2. Sections 42-64.13-3, 42-64.13-5, and 42-64.13-6 of the General Laws in  
25 Chapter 42-64.13 entitled "Rhode Island Regulatory Reform Act" are hereby amended to read as  
26 follows:

27 **42-64.13-3. Purposes of chapter. [Effective February 1, 2015].** -- The purposes of this  
28 chapter are to create within the ~~Rhode Island executive office of commerce,~~ [office of](#)  
29 [management and budget](#) the office of regulatory reform that will facilitate the regular review of  
30 Rhode Island's regulatory processes and permitting procedures, report thereon in an effort to  
31 improve them and assist and facilitate economic development opportunities within the regulatory  
32 and permitting processes and procedures that exist within Rhode Island state and municipal  
33 government.

34 **42-64.13-5. Creation of the office of regulatory reform. [Effective February 1,**

1 2015.]. -- The ~~Rhode Island executive office of commerce~~ office of management and budget shall  
2 create an office of regulatory reform that shall be adequately staffed and supervised in order to  
3 fulfill its functions as set forth in this chapter.

4 **42-64.13-6. Director of office of regulatory reform. [Effective February 1, 2015]. --**

5 The office of regulatory reform shall be managed by a director of office of regulatory reform who  
6 shall report to the ~~secretary of commerce within the Rhode Island executive office of commerce~~  
7 director of the office of management and budget.

8 SECTION 3. Sections 42-64.19-2, 42-64.19-3, 42-64.19-4, 42-64.19-5, 42-64.19-6, 42-  
9 64.19-7, 42-64.19-8, 42-64.19-9, 42-64.19-10, 42-64.19-11, and 42-64.19-12 of the General Laws  
10 in Chapter 42-64.19 entitled "Executive Office of Commerce" are hereby amended to read as  
11 follows:

12 **42-64.19-2. Purposes. [Effective February 1, 2015 July 1, 2015]. --** The Rhode Island  
13 executive office of commerce is authorized, created, and established as the state's lead agency for  
14 economic development throughout Rhode Island for the following purposes: To promote and  
15 encourage the preservation, expansion, and sound development of new and existing industry,  
16 business, commerce, agriculture, tourism, and recreational facilities in the state, which will  
17 promote the economic development of the state and the creation of opportunities for economic  
18 stability and employment through a business climate that fosters opportunity for all Rhode  
19 Islanders.

20 **42-64.19-3. Executive office of commerce.[Effective February 1, 2015 July 1, 2015]. -**

21 z (a) There is hereby established within the executive branch of state government an executive  
22 office of commerce effective ~~February 1, 2015~~ July 1, 2015, to serve as the principal agency of  
23 the executive branch of state government for managing the promotion of commerce and the  
24 economy within the state and shall have the following powers and duties in accordance with the  
25 following schedule:

26 (1) On or about ~~February 1, 2015~~ July 1, 2015, to operate functions from the department  
27 of business regulation;

28 (2) On or about ~~April 1, 2015~~ September 1, 2015, to operate various divisions and  
29 functions from the department of administration;

30 (3) On or before ~~September 1, 2015~~ January 1, 2016, to provide to the Senate and the  
31 House of Representatives a comprehensive study and review of the roles, functions, and programs  
32 of the Department of Administration and the Department of Labor and Training to devise  
33 recommendations and a business plan for the integration of these entities with the office of the  
34 secretary of commerce. The governor may include such recommendations in the Fiscal Year 2017

1 budget proposal.

2 (b) In this capacity, the office shall:

3 (1) Lead or assist state departments and coordinate business permitting processes in order  
4 to:

5 (i) Improve the economy, efficiency, coordination, and quality of the business climate in  
6 the state;

7 (ii) Design strategies and implement best practices that foster economic development and  
8 growth of the state's economy;

9 (iii) Maximize and leverage funds from all available public and private sources, including  
10 federal financial participation, grants and awards;

11 (iv) Increase public confidence by conducting customer centric operations whereby  
12 commercial enterprise are supported and provided programs and services that will grow and  
13 nurture the Rhode Island economy; and

14 (v) Be the state's lead agency for economic development.

15 ~~(e) The office shall include the office of regulatory reform and other administration~~  
16 ~~functions which promote, enhance or regulate various service and functions in order to promote~~  
17 ~~the reform and improvement of the regulatory function of the state.~~

18 **42-64.19-4. Secretary of commerce – Appointment. [Effective February 1, 2015 July**  
19 **1, 2015].** -- The executive office of commerce shall be administered by a secretary of commerce,  
20 hereafter referred to as "secretary." The position of secretary is hereby created in the unclassified  
21 service. The secretary shall be appointed by the governor with the advice and consent of the  
22 senate. The secretary shall hold office at the pleasure of the governor and until a successor is  
23 appointed and qualified. Before entering upon the discharge of duties, the secretary shall take an  
24 oath to faithfully execute the duties of the office. The secretary shall be appointed by ~~February 1,~~  
25 ~~2015~~ [July 1, 2015](#).

26 **42-64.19-5. Responsibilities of the secretary. [Effective February 1, 2015 July 1,**  
27 **2015].** -- (a) The secretary shall be responsible to the governor for supervising the executive  
28 office of commerce, improving the functions and operations of Rhode Island state government to  
29 be clear, reliable, predictable, and as responsive and user-friendly to the state's business  
30 community as is practicable, for managing and providing strategic leadership and direction to the  
31 other divisions and departments under the jurisdiction of this chapter, for serving as the chief  
32 executive officer of the Rhode Island commerce corporation, for convening the economic  
33 development planning council to develop the economic development policy and strategic plan in  
34 accordance with section 42-64.16, for serving as chair of the council of economic advisors in

1 accordance with section 42-64.17; for serving as vice-chair of the Human Resources Investment  
2 Council; and for chairing the Governor's Commerce and Workforce Cabinet established pursuant  
3 to section 42-6.1.

4 (b) Notwithstanding any provision of law to the contrary, the secretary shall appoint the  
5 chiefs/directors of the divisions/departments within the executive office of commerce with the  
6 consent of the governor.

7 **42-64.19-6. Duties of the secretary. [Effective ~~February 1, 2015~~ July 1, 2015].** -- The  
8 secretary shall be subject to the direction and supervision of the governor for the oversight,  
9 coordination and cohesive direction of state economic development activities of the state and in  
10 ensuring the laws are faithfully executed, notwithstanding any law to the contrary. In this  
11 capacity, the secretary of commerce shall be authorized to:

12 (1) Coordinate the administration and financing of various departments or divisions  
13 within the office and to supervise the work of the Rhode Island commerce corporation.

14 (2) Serve as the governor's chief advisor and liaison to federal policymakers on economic  
15 development as well as the principal point of contact in the state on any such related matters.

16 (3) Review and ensure the coordination of the development of an overarching economic  
17 development plan as produced by the office.

18 (4) Receive from department directors, within the timelines specified, any information  
19 and resources the secretary deems necessary in order to perform the reviews authorized in this  
20 section;

21 ~~(5) Engage in regulatory reform across all state agencies to protect the health and~~  
22 ~~wellbeing of Rhode Islanders while meeting business needs for a clear, predictable, and reliable~~  
23 ~~regulatory structure in the state; including the implementation of systems to enhance customer~~  
24 ~~service by simplifying and expediting state permitting processes.~~

25 ~~(6)~~<sup>(5)</sup> Prepare and submit to the governor, the chairpersons of the house and senate  
26 finance committees, and the caseload estimating conference, by no later than April 15 of each  
27 year, a comprehensive overview of the Rhode Island economy. The secretary shall determine the  
28 contents of the overview and shall determine the important economic data and information that  
29 will inform the governor, and the revenue estimating committee on the economic conditions of  
30 the state and future issues and forward looking projects of the Rhode Island economy.

31 ~~(7)~~<sup>(6)</sup> The directors of the departments, as well as local governments and school  
32 departments, shall assist and cooperate with the secretary in fulfilling this responsibility by  
33 providing whatever information and support shall be necessary.

34 ~~(8)~~<sup>(7)</sup> Resolve administrative, jurisdictional, operational, program, or policy conflicts

1 among departments and their executive staffs and make necessary recommendations to the  
2 governor.

3 ~~(9)~~(8) Assure continued progress toward improving the quality, the accountability, and  
4 the efficiency of state-administered programs to support the Rhode Island economy. In this  
5 capacity, the secretary shall:

6 (i) Direct implementation of reforms in the economic development practices of the  
7 departments that streamline and upgrade services, achieve greater economies of scale and  
8 establish the coordinated system of the staff education, cross- training, and career development  
9 services necessary to recruit and retain a highly-skilled, responsive, and engaged workforce;

10 (ii) Encourage departments to utilize consumer-centered approaches to service design and  
11 delivery that expand their capacity to respond efficiently and responsibly to the diverse and  
12 changing needs of the people and communities they serve;

13 (iii) Develop all opportunities to maximize resources by leveraging the state's purchasing  
14 power, centralizing fiscal service functions related to budget, finance, and procurement,  
15 centralizing communication, policy analysis and planning, and information systems and data  
16 management, pursuing alternative funding sources through grants, awards and partnerships and  
17 securing all available federal financial participation for programs and services provided through  
18 the departments; and

19 (iv) Strengthen the financial support system for business and enterprises program  
20 integrity, quality control and collections, and recovery activities by consolidating functions within  
21 the office in a single unit that ensures all affected parties pay their fair share of the cost of  
22 services and are aware of alternative financing.

23 ~~(10)~~(9) Prepare and integrate comprehensive budgets for the commerce services  
24 departments and functions and duties assigned to the office. The budgets shall be submitted to the  
25 state budget office by the secretary, for consideration by the governor, on behalf of the state's  
26 commerce agencies in accordance with the provisions set forth in § 35-3-4 of the Rhode Island  
27 general laws.

28 ~~(11)~~(10) Utilize objective data to evaluate economic development policy goals, resource  
29 use and outcome evaluation and to perform short and long-term policy planning and  
30 development.

31 ~~(12)~~(11) Establishment of an integrated approach to interdepartmental information and  
32 data management that complements and furthers the goals of the council of economic advisors  
33 and that will facilitate the transition to consumer-centered system of state administered economic  
34 development programs and services.

1           ~~(13)~~(12) At the direction of the governor or the general assembly, conduct independent  
2 reviews of state-administered economic development programs, policies and related agency  
3 actions and activities and assist the department directors in identifying strategies to address any  
4 issues or areas of concern that may emerge thereof. The department directors shall provide any  
5 information and assistance deemed necessary by the secretary when undertaking such  
6 independent reviews.

7           ~~(14)~~(13) Provide regular and timely reports to the governor and make recommendations  
8 with respect to the state's economic development agenda.

9           ~~(15)~~(14) Employ such personnel and contract for such consulting services as may be  
10 required to perform the powers and duties lawfully conferred upon the secretary.

11           ~~(16)~~(15) Implement the provisions of any general or public law or regulation related to  
12 the disclosure, confidentiality and privacy of any information or records, in the possession or  
13 under the control of the executive office or the departments assigned to the executive office, that  
14 may be developed or acquired for purposes directly connected with the secretary's duties set forth  
15 herein.

16           **42-64.19-7. Departments/divisions assigned to the executive office – Powers and**  
17 **duties. [Effective ~~February 1, 2015~~ July 1, 2015].** -- (a) The departments and/or divisions  
18 assigned to the secretary shall:

19           (1) Exercise their respective powers and duties in accordance with their statutory  
20 authority and the general policy established by the governor or by the secretary acting on behalf  
21 of the governor or in accordance with the powers and authorities conferred upon the secretary by  
22 this chapter;

23           (2) Provide such assistance or resources as may be requested or required by the governor  
24 and/or the secretary; and

25           (3) Provide such records and information as may be requested or required by the  
26 governor and/or the secretary to the extent allowed under the provisions of any applicable general  
27 or public law, regulation, or agreement relating to the confidentiality, privacy or disclosure of  
28 such records or information.

29           (4) Forward to the secretary copies of all reports to the governor.

30           (b) Except as provided herein, no provision of this chapter or application thereof shall be  
31 construed to limit or otherwise restrict the departments, offices, or divisions assigned to the  
32 secretary from fulfilling any statutory requirement or complying with any valid rule or regulation.

33           (c) The secretary shall determine in collaboration with the department directors whether  
34 the officers, employees, agencies, advisory councils, committees, commissions, and task forces of

1 the departments who were performing such functions shall be transferred to the office.

2 (d) In the transference of such functions, the secretary shall be responsible for ensuring:

3 (1) Minimal disruption of services to consumers;

4 (2) Elimination of duplication of functions and operations;

5 (3) Services are coordinated and functions are consolidated where appropriate;

6 (4) Clear lines of authority are delineated and followed;

7 (5) Cost savings are achieved whenever feasible;

8 (6) Program application and eligibility determination processes are coordinated and,  
9 where feasible, integrated; and

10 (7) State and federal funds available to the office and the entities therein are allocated and  
11 utilized for service delivery to the fullest extent possible.

12 (e) Except as provided herein, no provision of this chapter or application thereof shall be  
13 construed to limit or otherwise restrict the departments under this section from fulfilling any  
14 statutory requirement or complying with any regulation deemed otherwise valid.

15 (f) To ensure an orderly transfer of functions to the office of commerce the following  
16 transition shall occur at the direction of the governor, secretary of commerce and the respective  
17 directors of the department affected.

18 (g) On or about ~~February 1, 2015~~ July 1, 2015, the office shall commence to operate all  
19 functions currently assigned to the department of business regulation (DBR)

20 (h) On or about ~~April 1, 2015~~ September 1, 2015, the office shall commence to operate  
21 the ~~regulatory reform and~~ housing/community development functions currently assigned to the  
22 department of administration.

23 (i) In addition to the requirements of RIGL § 35-3-7, budgets submitted by the impacted  
24 state departments for state fiscal years 2015, ~~and~~ 2016, and 2017 shall include provisions to  
25 implement this section.

26 **42-64.19-8. Appointment of employees. [Effective ~~February 1, 2015~~ July 1, 2015]. –**

27 The secretary, subject to the provisions of applicable state law, shall be the appointing authority  
28 for all employees of the executive office of commerce. The secretary may assign this function to  
29 such subordinate officers and employees of the executive office as may to him or her seem  
30 feasible or desirable. The appointing authority of the secretary provided for herein shall not  
31 affect, interfere with, limit, or otherwise restrict the appointing authority vested in the directors  
32 for the employees of the departments under applicable general and public laws.

33 **42-64.19-9. Appropriations and disbursements. [Effective ~~February 1, 2015~~ July 1,**  
34 **2015]. –** The general assembly shall annually appropriate such sums as it may deem necessary

1 for the purpose of carrying out the provisions of this chapter. The state controller is hereby  
2 authorized and directed to draw his or her orders upon the general treasurer for the payment of  
3 such sum or sums, or so much thereof as may from time to time be required, upon receipt by him  
4 or her of proper authenticated vouchers approved by the secretary of the executive office of  
5 commerce, or his or her designee.

6 **42-64.19-10. Rules and regulations. [Effective ~~February 1, 2015~~ July 1, 2015.].** – The  
7 executive office of commerce shall be deemed an agency for purposes of § 42-35-1, et seq. of the  
8 Rhode Island general laws. The secretary shall make and promulgate such rules and regulations,  
9 fee schedules not inconsistent with state law and fiscal policies and procedures as he or she deems  
10 necessary for the proper administration of this chapter and to carry out the policy and purposes  
11 thereof.

12 **42-64.19-11. Severability. [Effective ~~February 1, 2015~~ July 1, 2015.].** – If any  
13 provision of this chapter or the application thereof to any person or circumstance is held invalid,  
14 such invalidity shall not affect other provisions or applications of the chapter, which can be given  
15 effect without the invalid provision or application, and to this end the provisions of this chapter  
16 are declared to be severable.

17 **42-64.19-12. Cooperation of other state executive branch agencies. [Effective**  
18 **~~February 1, 2015~~ July 1, 2015.].** -- As may be appropriate from time to time, the departments  
19 and other agencies of the state of the executive branch that have not been assigned to the  
20 executive office of commerce under this chapter shall assist and cooperate with the executive  
21 office as may be required by the governor requested by the secretary.

22 SECTION 4. Sections 42-102-2, 42-102-3 and 42-102-6 of the General Laws in Chapter  
23 entitled "Rhode Island Human Resource Investment Council" are hereby amended to read as  
24 follows:

25 **42-102-2. Composition of council. [Effective until ~~February 1, 2015~~ July 1, 2015.].** --

26 (a) Effective until January 1, 2005, the council shall be composed of twenty-seven (27) members  
27 of whom no less than one-third (1/3) shall be women as follows:

28 (1) One shall be appointed by the governor from the nongovernmental sector to serve as  
29 chairperson of the council;

30 (2) Eight (8) shall be appointed by the governor from the employer community, two (2)  
31 of whom shall be from the nonprofit sector, and at least two (2) of whom must be women from  
32 the following employer groups:

33 (i) Two (2) from companies with fewer than twenty-five (25) employees;

34 (ii) Two (2) from companies with twenty-five (25) to two hundred fifty (250) employees;

1 (iii) Two (2) from companies with more than two hundred fifty (250) employees; and

2 (iv) Two (2) from minority-owned companies;

3 (3) Three (3) members from organized labor shall be appointed by the governor;

4 (4) One member from a community-based organization representing minorities shall be  
5 appointed by the governor;

6 (5) One individual who serves as the chairperson of the governor's commission on  
7 disabilities;

8 (6) Six (6) individuals shall serve on the council by virtue of their respective positions as  
9 chairpersons of the following organizations:

10 (i) Three (3) individuals, who serve as chairpersons of their respective private industry  
11 councils;

12 (ii) One individual who serves as chairperson of the Rhode Island state apprenticeship  
13 council; and

14 (iii) One individual who serves as chairperson of the pathways to independence advisory  
15 council;

16 (7) The president of the senate and the speaker of the house shall appoint one individual  
17 each from their respective chambers to become members of the council;

18 (8) The directors or commissioners of the following four (4) departments and corporation  
19 shall serve on the council: employment and training, Rhode Island economic development  
20 corporation, human services, elementary and secondary education, and higher education;

21 (9) The executive director of the Rhode Island economic policy council shall serve on the  
22 council; and

23 (10) Any individual serving on the council as of June 1, 2004 shall remain on the council  
24 until the new members are appointed and confirmed by the senate.

25 (b) Effective January 1, 2005, the council shall be composed of fifteen (15) members,  
26 thirteen (13) members appointed by the governor, with the advice and consent of the senate, at  
27 least four (4) of whom shall be women, at least three (3) of whom shall be from minority  
28 communities, and at least one of whom shall be a person with disabilities, as follows:

29 (1) One shall be appointed by the governor to serve as chairperson of the council;

30 (2) Six (6) shall be appointed by the governor from the employer community, in a manner  
31 that is representative of employers of different sizes and sectors, including the nonprofit sector;  
32 provided, however, that in the event that there is established a state workforce investment board  
33 that is separate and distinct from the council, then one of the six (6) representatives of the  
34 employer community shall be the chairperson of the state work force investment board, and if all

1 employer community appointments have been duly made and are filled, then the appointed  
2 chairperson of the state workforce investment board shall be made with the next available  
3 appointment of a representative of the employer community;

4 (3) Four (4) members from organized labor shall be appointed by the governor;

5 (4) Two (2) members from community-based organizations shall be appointed by the  
6 governor;

7 (5) The president of the senate and the speaker of the house shall appoint one individual  
8 each from their respective chambers to be members of the council.

9 (c) *Transitional Provisions.* The council as provided for in subsection (b) shall assume  
10 the powers, duties and responsibilities set forth in this chapter, and the council as provided for in  
11 subsection (a) shall be terminated, and shall cease to exist and all the powers, duties, and  
12 responsibilities of the council as provided for in subsection (a) shall be transferred to the council  
13 as provided in subsection (b); the governor may appoint persons serving on the council as  
14 provided for in subsection (a) to the council as provided for in subsection (b), as provided for in §  
15 42-102-4(a), and may appoint an interim executive director who shall serve until such time as an  
16 executive director is appointed in accordance with § 42-102-3(b). All rules, regulations,  
17 decisions, actions, and approvals taken by the council as provided in subsection (a) shall remain  
18 in full force and effect until superseded, amended, revised, or rescinded by the council as  
19 provided for in subsection (b). The present council will continue its duties and responsibilities  
20 until the new members of the council are appointed and a number sufficient to satisfy a quorum  
21 are confirmed by the senate.

22 **42-102-2. Composition of council. [Effective February 1, 2015 July 1, 2015].** -- The  
23 council shall be composed of fifteen (15) members, the secretary of commerce, who shall be vice-  
24 chair, twelve (12) members appointed by the governor, with the advice and consent of the senate,  
25 at least four (4) of whom shall be women, at least three (3) of whom shall be from minority  
26 communities, and at least one of whom shall be a person with disabilities, as follows:

27 (1) One shall be appointed by the governor to serve as chairperson of the council;

28 (2) Five (5) shall be appointed by the governor from the employer community, in a  
29 manner that is representative of employers of different sizes and sectors, including the nonprofit  
30 sector; provided, however, that in the event that there is established a state workforce investment  
31 board that is separate and distinct from the council, then one of the five (5) representatives of the  
32 employer community shall be the chairperson of the state work force investment board, and if all  
33 employer community appointments have been duly made and are filled, then the appointed  
34 chairperson of the state workforce investment board shall be made with the next available

1 appointment of a representative of the employer community;

2 (3) Four (4) members from organized labor shall be appointed by the governor;

3 (4) Two (2) members from community-based organizations shall be appointed by the  
4 governor;

5 (5) The president of the senate and the speaker of the house shall appoint one individual  
6 each from their respective chambers to be members of the council.

7 **42-102-3. Officers. [Effective until February 1, 2015 July 1, 2015.]. --** (a) The position  
8 of chairperson shall be unpaid and the individual that is appointed chairperson shall serve a three  
9 (3) year term. The governor may reappoint the individual appointed chairperson to serve another  
10 three (3) year term. The council shall elect from its own members a vice-chairperson, who is  
11 authorized to preside over meetings in the absence of the chairperson.

12 (b) *Executive director.* The council, in consultation with the governor, shall appoint an  
13 executive director who shall serve at the pleasure of the council, provided that the executive  
14 director's initial engagement by the council shall be for a period of not more than three (3) years.  
15 The position of executive director shall be in the unclassified service of the state and he or she  
16 shall serve as the chief executive officer of the council.

17 **42-102-3. Officers. [Effective February 1, 2015 July 1, 2015.]. --** (a) The position of  
18 chairperson shall be unpaid and the individual that is appointed chairperson shall serve a three (3)  
19 year term. The governor may reappoint the individual appointed chairperson to serve another  
20 three (3) year term.

21 (b) The secretary of commerce shall be vice-chair, and is authorized to preside over  
22 meetings in the absence of the chairperson.

23 (c) *Executive director.* The council, in consultation with the governor, shall appoint an  
24 executive director who shall serve at the pleasure of the council, provided that the executive  
25 director's initial engagement by the council shall be for a period of not more than three (3) years.  
26 The position of executive director shall be in the unclassified service of the state and he or she  
27 shall serve as the chief executive officer of the council.

28 **42-102-6. Duties. [Effective until February 1, 2015 July 1, 2015.]. --** (a) The council  
29 shall meet with other entities involved with vocational education, labor, and training and shall be  
30 responsible for the planning of labor and training activities to ensure that a comprehensive and  
31 cohesive plan is developed. The council shall take into consideration the needs of all segments of  
32 the state's citizenry in establishing goals and training objectives.

33 (b) The council shall establish policy to ensure the effectiveness and efficiency of  
34 programs and activities as they pertain to labor and training.

1 (c) The council shall provide funding for special projects that will increase and improve  
2 the skill base of Rhode Island's workforce. The council shall take into account labor market  
3 information from the Rhode Island economic development corporation to help establish training  
4 needs. In addition, the council shall have the following responsibilities:

5 (1) Prepare and submit by September 1, 1992 and thereafter annually, a proposed budget  
6 for the ensuing year for the governor's approval;

7 (2) The auditor general shall conduct annual audits of all financial accounts and any other  
8 audits that he or she shall deem necessary.

9 (3) Ensure that, for those contracts or grants characterized as training or upgrading, the  
10 administrative expenses of the private or public entity awarded the contract or grant shall not  
11 exceed fifteen percent (15%) of the total contract or grant.

12 (4) Receive any gifts, grants, or donations made and to disburse and administer them in  
13 accordance with the terms thereof; and

14 (5) Allocate moneys from the job development fund for projects to implement the  
15 recommendations of the council, including, but not limited to, technology transfers or technical  
16 assistance to manufacturers to improve their operations through the use of appropriate  
17 technologies; provided, that for fiscal year 2005, a minimum of three million four hundred  
18 thousand dollars (\$3,400,000) from the job development fund shall be allocated for adult literacy  
19 programs.

20 (6) Within ninety (90) days after the end of each fiscal year, the council shall approve and  
21 submit an annual report to the governor, the speaker of the house, the president of the senate, and  
22 the secretary of state, of its activities during the fiscal year. The report shall provide: an operating  
23 statement summarizing meetings or hearings held, meeting minutes if requested, subjects  
24 addressed, decisions rendered, rules and regulations promulgated, studies conducted, policies and  
25 plans developed, approved or modified, and programs administered or initiated; a consolidated  
26 financial statement of all funds received and expended including the source of funds, a listing of  
27 any staff supported by these funds, and a summary of clerical, administrative, professional or  
28 technical reports received; a summary of performance during the previous fiscal year including  
29 accomplishments, shortcomings and remedies; a synopsis of hearings, complaints, suspensions or  
30 other legal matters related to the authority of the council; a summary of any training courses held  
31 pursuant to subsection 42-102-2(c); a briefing on anticipated activities in the upcoming fiscal  
32 year; and findings and recommendations for improvement. The report, within thirty (30) days of  
33 its completion, shall be posted electronically on the general assembly and secretary of state's  
34 websites. The director of the department of administration shall be responsible for the

1 enforcement of this provision.

2 **42-102-6. Duties. [Effective February 1, 2015 July 1, 2015].** -- (a) The council shall  
3 meet with other entities involved with vocational education, labor, and training and shall be  
4 responsible for the planning of labor and training activities to ensure that a comprehensive and  
5 cohesive plan is developed. The council shall take into consideration the needs of all segments of  
6 the state's citizenry in establishing goals and training objectives.

7 (b) The council shall establish policy to ensure the effectiveness and efficiency of  
8 programs and activities as they pertain to labor and training, including the workforce needs of  
9 state employers.

10 (c) The council shall provide funding for special projects that will increase and improve  
11 the skill base of Rhode Island's workforce. The council shall take into account labor market  
12 information from the Rhode Island economic development corporation to help establish training  
13 needs. In addition, the council shall have the following responsibilities:

14 (1) Prepare and submit by September 1, 1992 and thereafter annually, a proposed budget  
15 for the ensuing year for the governor's approval;

16 (2) The auditor general shall conduct annual audits of all financial accounts and any other  
17 audits that he or she shall deem necessary.

18 (3) Ensure that, for those contracts or grants characterized as training or upgrading, the  
19 administrative expenses of the private or public entity awarded the contract or grant shall not  
20 exceed fifteen percent (15%) of the total contract or grant.

21 (4) Receive any gifts, grants, or donations made and to disburse and administer them in  
22 accordance with the terms thereof; and

23 (5) Allocate moneys from the job development fund for projects to implement the  
24 recommendations of the council, including, but not limited to, technology transfers or technical  
25 assistance to manufacturers to improve their operations through the use of appropriate  
26 technologies; provided, that for fiscal year 2005, a minimum of three million four hundred  
27 thousand dollars (\$3,400,000) from the job development fund shall be allocated for adult literacy  
28 programs.

29 (6) Within ninety (90) days after the end of each fiscal year, the council shall approve and  
30 submit an annual report to the governor, the speaker of the house, the president of the senate, and  
31 the secretary of state, of its activities during the fiscal year. The report shall provide: an operating  
32 statement summarizing meetings or hearings held, meeting minutes if requested, subjects  
33 addressed, decisions rendered, rules and regulations promulgated, studies conducted, policies and  
34 plans developed, approved or modified, and programs administered or initiated; a consolidated

1 financial statement of all funds received and expended including the source of funds, a listing of  
2 any staff supported by these funds, and a summary of clerical, administrative, professional or  
3 technical reports received; a summary of performance during the previous fiscal year including  
4 accomplishments, shortcomings and remedies; a synopsis of hearings, complaints, suspensions or  
5 other legal matters related to the authority of the council; a summary of any training courses held  
6 pursuant to subsection 42-102-2(c); a briefing on anticipated activities in the upcoming fiscal  
7 year; and findings and recommendations for improvement. The report, within thirty (30) days of  
8 its completion, shall be posted electronically on the general assembly and secretary of state's  
9 websites. The director of the department of administration shall be responsible for the  
10 enforcement of this provision.

11 SECTION 5. This article shall take effect upon passage.

## 12 ARTICLE 20

### 13 RELATING TO BOARD OF EDUCATION

14 SECTION 1. Board of Education Organizational Structure.

15 WHEREAS, Pursuant to Rhode Island Public Law 2012, Chapter 241, Article 4, Section  
16 3 enacted by the General Assembly, the Rhode Island Board of Education was established, "...to  
17 modernize the manner in which education shall be governed for future generations"; and

18 WHEREAS, The Rhode Island Board of Education was charged by the General  
19 Assembly to "...establish a plan for distributing the assets, responsibilities, powers, authorities,  
20 and duties of the office of higher education to the three (3) higher education institutions and  
21 appropriate state agencies"; and,

22 WHEREAS, The Board was responsible for submitting a permanent governance structure  
23 to the General Assembly for consideration that at a minimum would: "...(1) Provide clear  
24 guidance on statutory, legal, financial and contractual obligations; (2) Establish a policy  
25 framework that furthers the goals of this chapter; and (3) Establish appropriate administrative  
26 structures, support, policies and procedures."; now, therefore, be it

27 RESOLVED, That the Rhode Island Board of Education recommends the General  
28 Assembly enact a new governance structure to effectuate the permanent establishment of the  
29 Board of Education in order to achieve the goals articulated by the preamble of Rhode Island  
30 Public Law 2012, Chapter 241, Article 4, Section 3.

31 SECTION 2. Chapter 16-32 of the General Laws entitled "University of Rhode Island" is  
32 hereby amended by adding thereto the following section:

33 **16-32-2.1. Additional powers of the President of the University.-- In addition to any**  
34 **powers granted to the president of the University of Rhode Island by law or regulation, the**

1 president shall have the following additional powers and duties:

2 (a) To create, and consolidate departments, divisions, programs, and courses of study  
3 within the university with the assistance of the commissioner of postsecondary education within  
4 the approved role and scope adopted by the council on postsecondary education pursuant to § 16-  
5 59-4. Any new or proposed eliminations of departments, divisions, programs or courses of study  
6 that are outside the role and scope approved by the council shall require the review and approval  
7 of the council on postsecondary education.

8 (b) To adopt a budget for the university and submit it to the council on postsecondary  
9 education for approval.

10 (c) To be responsible for the general management of property of the university.

11 (d) To recommend to the council on postsecondary education, after consultation with the  
12 commissioner of postsecondary education, tables of organization for the university.

13 (e) To submit to the office of postsecondary commissioner and to compile and analyze  
14 the following information for presentation to the council on postsecondary education and the  
15 board of education annually by May 1st the following:

16 (1) A detailed departmental breakdown of all faculty members employed at the university  
17 by rank (including all professors, associate professors, assistant professors, lecturers, and  
18 instructors) and tenure (tenured and non-tenured, and other) and by race (African American,  
19 Hispanic, Native American, and Asian) and gender.

20 (2) A detailed report on current student enrollments for each class at the university by  
21 race and gender, by academic department, and by outreach program (e.g. talent development),  
22 guaranteed admissions program, and the current levels of funding and staff support for each of  
23 these programs.

24 (3) A report on the current status of the African and Afro-American studies programs at  
25 the university and a five (5) year budgetary history of the programs along with projections for  
26 budgetary support for the next two (2) years.

27 (4) A plan for recruitment of African American and Hispanic faculty into tenure track  
28 positions at each the university with specific reference to and planned involvement with the New  
29 England higher education's minority faculty recruitment and development plan.

30 (5) Certified copies of the report shall be furnished to the council of postsecondary  
31 education and the board of education.

32 SECTION 3. Chapter 16-33 of the General Laws entitled "Rhode Island College" is  
33 hereby amended by adding thereto the following section:

34 **16-33-2.1. Additional powers of the President of the College. -- In addition to any**

1 powers granted to the president of Rhode Island College by law or regulation, the president shall  
2 have the following additional powers and duties:

3 (a) To create and consolidate departments, divisions, programs, and courses of study  
4 within the college with the assistance of the commissioner of postsecondary education within the  
5 approved role and scope adopted by the council on postsecondary education pursuant to § 16-59-  
6 4. Any new or proposed eliminations of departments, divisions, programs or courses of study that  
7 are outside the role and scope approved by the council shall require the review and approval of  
8 the council on postsecondary education.

9 (b) To adopt a budget for the college and submit it to the council for postsecondary  
10 education for approval.

11 (c) To be responsible for the general management of property of the college.

12 (d) To recommend to the council on postsecondary education, after consultation with the  
13 commissioner of postsecondary, education tables of organization for the College.

14 (e) To submit to the office of postsecondary commissioner and to compile and analyze  
15 the following information for presentation to the council for postsecondary education and the  
16 board of education annually by May 1st the following:

17 (1) A detailed departmental breakdown of all faculty members employed at the college  
18 by rank (including all professors, associate professors, assistant professors, lecturers, and  
19 instructors) and tenure (tenured and non-tenured, and other) and by race (African American,  
20 Hispanic, Native American, and Asian) and gender.

21 (2) A detailed report on current student enrollments for each class at the college by race  
22 and gender, by academic department, and by outreach program (e.g. talent development),  
23 guaranteed admissions program, and the current levels of funding and staff support for each of  
24 these programs.

25 (3) A report on the current status of the African and Afro-American studies programs at  
26 the college and a five (5) year budgetary history of the programs along with projections for  
27 budgetary support for the next two (2) years.

28 (4) A plan for recruitment of African American and Hispanic faculty into tenure track  
29 positions at each the college with specific reference to and planned involvement with the New  
30 England higher education's minority faculty recruitment and development plan.

31 (5) Certified copies of the report shall be furnished to the council of postsecondary  
32 education and the board of education.

33 SECTION 4. Chapter 16-33.1 of the General Laws entitled "Community College of  
34 Rhode Island" is hereby amended by adding thereto the following section:

1           **16-33.1-2.1 Additional powers of the President of the College. -- In addition to any**  
2 powers granted to the president of the Community College of Rhode Island by law or regulation,  
3 the president shall have the following additional powers and duties:

4           (a) To create and consolidate departments, divisions, programs, and courses of study  
5 within the college with the assistance of the commissioner of postsecondary education within the  
6 approved role and scope adopted by the council on postsecondary education pursuant to § 16-59-  
7 4. Any new or proposed eliminations of departments, divisions, programs or courses of study that  
8 are outside the role and scope approved by the council shall require the review and approval of  
9 the council on postsecondary education.

10           (b) To adopt a budget for the college and submit it to the council on postsecondary  
11 education for approval.

12           (c) To be responsible for the general management of property of the college.

13           (d) To recommend to the council on postsecondary education, after consultation with the  
14 commissioner of postsecondary education, tables of organization for the college.

15           (e) To submit to the office of postsecondary commissioner and to compile and analyze  
16 the following information for presentation to the council on postsecondary education and the  
17 board of education annually by May 1st the following:

18           (1) A detailed departmental breakdown of all faculty members employed at the college  
19 by rank (including all professors, associate professors, assistant professors, lecturers, and  
20 instructors) and tenure (tenured and non-tenured, and other) and by race (African American,  
21 Hispanic, Native American, and Asian) and gender.

22           (2) A detailed report on current student enrollments for each class at the college by race  
23 and gender, by academic department, and by outreach program (e.g. talent development),  
24 guaranteed admissions program, and the current levels of funding and staff support for each of  
25 these programs.

26           (3) A report on the current status of the African and Afro-American studies programs at  
27 the college and a five (5) year budgetary history of the programs along with projections for  
28 budgetary support for the next two (2) years.

29           (4) A plan for recruitment of African American and Hispanic faculty into tenure track  
30 positions at each the college with specific reference to and planned involvement with the New  
31 England higher education's minority faculty recruitment and development plan.

32           (5) Certified copies of the report shall be furnished to the council on postsecondary  
33 education and the board of education.

34           SECTION 5. Sections 16-59-1, 16-59-2, 16-59-4, 16-59-6, 16-59-7.1, 16-59-9 and 16-59-

1 22 of the General Laws in Chapter 16-59 entitled "Board of Governors for Higher Education" are  
2 hereby amended to read as follows:

3 **16-59-1. Board of governors for higher education established Council on**  
4 **Postsecondary Education established.** -- (a) There is created a ~~board of governors for higher~~  
5 ~~council on postsecondary~~ education, sometimes referred to as the ~~"board" or the "board of~~  
6 ~~governors"~~ "council", which shall be and is constituted a public corporation, empowered to sue  
7 and be sued in its own name, ~~to have a corporate seal, and to~~ exercise all the powers, in addition  
8 to those specifically enumerated in this chapter, usually appertaining to public corporations  
9 entrusted with control of postsecondary educational institutions and functions. ~~The board shall be~~  
10 ~~protected from sudden changes in membership and reversal of policy by having staggered terms~~  
11 ~~for its public members.~~ Upon its organization the ~~board of governors~~ council shall be invested  
12 with the legal title (in trust for the state) to all property, real and personal, now owned by and/or  
13 under the control or in custody of the board of regents for education for the use of the University  
14 of Rhode Island, Rhode Island College, Community College of Rhode Island and the system of  
15 community colleges of Rhode Island including all departments, divisions, and branches of these.

16 (b) The ~~board of governors~~ council is empowered to hold and operate the property in trust  
17 for the state; to acquire, hold, and dispose of the property and other like property as deemed  
18 necessary for the execution of its corporate purposes. The ~~board of governors~~ council is made  
19 successor to all powers, rights, duties, and privileges formerly belonging to the board of regents  
20 for education pertaining to postsecondary education and the board of governors for higher  
21 education.

22 ~~(c) The board of governors shall consist of thirteen (13) members as follows: twelve (12)~~  
23 ~~public members, appointed pursuant to the terms of § 16-59-2, one of whom shall be a full-time~~  
24 ~~student in good standing at the University of Rhode Island, Rhode Island College or the~~  
25 ~~Community College of Rhode Island, and a member of the board of regents for elementary and~~  
26 ~~secondary education designated by the governor.~~

27 ~~(d) The public members of the board of governors shall not be compensated for their~~  
28 ~~service in attending meetings or duly organized subcommittee meetings of the board.~~

29 ~~(e) The governor shall designate one of the public members as chairperson of the board~~  
30 ~~of governors. The board may elect from among its members such other officers as it deems~~  
31 ~~necessary. Seven (7) voting members of the board shall constitute a quorum and a majority vote~~  
32 ~~of those present and voting shall be required for action.~~

33 (c) The council shall be the employer of record for higher education and the office of  
34 postsecondary education. It shall retain all authority formerly vested in the board of education

1 regarding the employment of faculty and staff at the public higher education institutions.

2 **16-59-2. Appointment of members of the board of governors for higher education**  
3 **council on postsecondary education.** -- (a) The governor shall, ~~with the advice and consent of~~

4 ~~the senate establish the board~~ establish the council for postsecondary education by appointing  
5 ~~eleven (11)~~ seven (7) members of the board of education established pursuant to chapter 16-97 to  
6 serve ~~in staggered terms.~~ as members of the council, until the expiration of their term as a  
7 member of the board of education and their successor is appointed. In addition the governor shall  
8 appoint one (1) student member who shall be a full time student in good standing at the  
9 University of Rhode Island, Rhode Island College or the Community College of Rhode Island  
10 and who shall serve in a non-voting, ex-officio capacity for a single two (2) year term and shall  
11 rotate among the three (3) public institutions. The governor shall appoint the chair of the council  
12 on an annual basis from among the seven (7) voting council members. ~~The appointments shall be~~  
13 ~~made for terms of three (3) years commencing on February 1 in the year of the appointment and~~  
14 ~~ending on January 31 in the third (3rd) year thereafter, except in the case of the student member~~  
15 ~~whose appointment shall be for a period of two (2) years.~~

16 ~~(b) At the expiration of their terms members shall remain and continue in their official~~  
17 ~~capacity until a new member is appointed and confirmed. Any vacancy among the public~~  
18 ~~members of the board shall be filled by appointment of the governor for the remainder of the~~  
19 ~~unexpired term. In the selection and appointment of members of the board, the governor shall~~  
20 ~~seek persons who best serve the entire needs of the state. Public members shall not be appointed~~  
21 ~~for more than three (3) successive three (3) year terms each; provided, however, that this~~  
22 ~~limitation shall not apply to that person designated as chairperson by the governor who may be a~~  
23 ~~member so long as he or she shall serve as chairperson. Student members shall be appointed by~~  
24 ~~the governor for a single two (2) year term and shall rotate among the three (3) public institutions.~~

25 ~~(c) No person shall be eligible for appointment to the board after the effective date of this~~  
26 ~~act [March 24, 2006] unless he or she is a resident of this state.~~

27 ~~(d) Members of the board shall be removable by the governor pursuant to the provisions~~  
28 ~~of § 36-1-7 of the general laws and for cause only, and removal solely for partisan or personal~~  
29 ~~reasons unrelated to capacity or fitness for the office shall be unlawful.~~

30 **16-59-4. Powers and duties of board the council on postsecondary education Powers**  
31 **and duties of the council on postsecondary education.** -- (a) The ~~board of governors for higher~~

32 council on postsecondary education shall have, in addition to those enumerated in § 16-59-1, the  
33 following powers and duties:

- 34 (1) To approve a systematic program of information gathering, processing, and analysis

1 addressed to every level, aspect, and form of higher education in this state especially as that  
2 information relates to current and future educational needs so that current needs may be met with  
3 reasonable promptness and plans formulated to meet future needs as they arise in the most  
4 efficient and economical manner possible.

5 (2) To develop and approve a ~~master~~ strategic plan ~~defining~~ implementing broad goals  
6 and objectives for higher education in the state as established by the board of education, including  
7 a comprehensive capital development program. ~~These goals and objectives shall be expressed in~~  
8 ~~terms of what men and women should know and be able to do as a result of their educational~~  
9 ~~experience. The board of governors shall continuously evaluate the efforts and results of~~  
10 ~~education in the light of these objectives.~~

11 (3) To formulate broad policy to implement the goals and objectives established and  
12 adopted by the board of ~~governors~~ education, to adopt standards and require enforcement and to  
13 exercise general supervision over all higher public education in the state and over independent  
14 higher education in the state as provided in subdivision (8) of this section. The board of ~~governors~~  
15 education and the council shall not engage in the operation or administration of any subordinate  
16 committee, university, junior college, or community college, except its own office of ~~higher~~  
17 postsecondary education and except as specifically authorized by an act of the general assembly;  
18 provided, the presidents of each institution of higher learning shall be the chief administrative and  
19 executive officers of that institution; and provided that nothing contained in this section shall  
20 prohibit their direct access to or interfere with the relationship between the presidents and the  
21 board of ~~governors~~ education and the council. ~~The adoption and submittal of the budget, the~~  
22 ~~approval of tables of organization, the creation, abolishment, and consolidation of departments,~~  
23 ~~divisions, programs, and courses of study, and the acquisition, holding, disposition, and general~~  
24 ~~management of property shall not be construed to come within the purview of the preceding~~  
25 ~~prohibition. The board shall communicate with and seek the advice of the commissioner of higher~~  
26 ~~education and all those concerned with and affected by its determinations as a regular procedure~~  
27 ~~in arriving at its conclusions and in setting its policy.~~

28 (4) To communicate with and seek the advice of the commissioner of postsecondary  
29 education, the presidents of the public higher education institutions and all those concerned with  
30 and affected by its determinations as a regular procedure in arriving at its conclusions and in  
31 setting its policy.

32 ~~(4)~~(5) To prepare and maintain a five (5) year funding plan for higher education that  
33 implements the strategic financing recommendations of the board of education; to prepare with  
34 the assistance of the commissioner of ~~higher~~ postsecondary education and to present annually to

1 the state budget officer in accordance with § 35-3-4 a state higher educational budget, which shall  
2 include, but not be limited to, the budget of the office of ~~higher~~ postsecondary education and the  
3 budget of the state colleges. In the preparation of the budget, the ~~board council~~ shall ~~determine~~  
4 implement the priorities established by the board of education of expenditures for public higher  
5 education purposes of state revenues and other public resources made available for the support of  
6 higher public education. Prior to submitting the budget to the state budget officer as required by  
7 the budget office instructions and this subsection, the council shall present the budget to the board  
8 of education for its review and consent. Nothing contained in this subdivision shall authorize the  
9 ~~board council~~ to alter the allocation of grants or aid otherwise provided by law.

10 ~~(5)(6)~~ (6) To maintain an office of ~~higher-education~~ postsecondary commissioner; to provide  
11 for its staffing and organization; and to ~~appoint~~ manage and oversee a commissioner of ~~higher~~  
12 postsecondary education pursuant to duties and responsibilities defined in § 16-59-6 and § 16-59-  
13 7, who shall serve at its pleasure. The commissioner of ~~higher~~ postsecondary education and the  
14 office of ~~higher-education~~ postsecondary commissioner shall have the duties and responsibilities  
15 as defined in §§ 16-59-6 and 16-59-7.

16 ~~(6)(7)~~ (7) To appoint and dismiss presidents of the public institutions of higher learning with  
17 the assistance of the commissioner of ~~higher~~ postsecondary education, and to establish procedures  
18 for this, and with the assistance of the commissioner to approve or disapprove vice presidents of  
19 the public institutions of higher learning appointed by the respective presidents of the public  
20 institutions of higher learning.

21 ~~(7)(8)~~ (8) To establish other educational agencies or subcommittees necessary or desirable  
22 for the conduct of any or all aspects of higher education and to determine all powers, functions,  
23 and composition of any agencies or subcommittees and to dissolve them when their purpose shall  
24 have been fulfilled.

25 ~~(8)(9)~~ (9) To exercise the authority vested in the board of regents for education with relation  
26 to independent higher educational institutions within the state under the terms of chapter 40 of  
27 this title, and other laws affecting independent higher education in the state.

28 ~~(9)(10)~~ (10) To enforce the provisions of all laws relating to higher education, public and  
29 independent.

30 ~~(10)(11)~~ (11) To be responsible for all the functions, powers, and duties which were vested in  
31 the board of regents for education relating to higher education, including but not limited to the  
32 following specific functions:

33 (i) To approve the ~~tables of organization~~ role and scope of programs at public institutions  
34 of higher learning with the assistance of the commissioner of ~~higher-education~~ postsecondary

1 education which shall include but not be limited to populations to be served, the type and level of  
2 programs and academic fields offered.

3 (ii) To adopt and require standard accounting procedures for the office of ~~higher~~  
4 ~~education~~ postsecondary commissioner and all public colleges and universities.

5 ~~(iii) To create, abolish, and consolidate departments, divisions, programs, and courses of~~  
6 ~~study within the public colleges and universities with the assistance of the commissioner of~~  
7 ~~higher education after consultation with the presidents.~~

8 ~~(iv)~~(iii) To ~~establish~~ approve a clear and definitive mission for each public institution of  
9 higher learning with the assistance of the commissioner of ~~higher education.~~ postsecondary  
10 education that is consistent with the role and scope of programs at the public institutions.

11 ~~(v)~~(iv) To promote maximum efficiency, economy, and cooperation in the delivery of  
12 public higher educational services in the state and cooperation with independent institutions of  
13 higher education.

14 ~~(11)~~(12) To incorporate into its own affirmative action reporting process periodic reports  
15 monitoring specific faculty and staff searches by the chairperson of the search committee to  
16 include the rationale for granting those interviews and the final hiring results. The institutions  
17 must empower its affirmative action officer to monitor searches in this manner, to intervene  
18 during the search, and, when necessary, to cause a search to cease if affirmative action goals are  
19 not being adequately served.

20 ~~(12)~~(13) To incorporate a specific category for accountability on affirmative action goals  
21 and implementation as part of the board's annual evaluations and three (3) year reviews for the  
22 presidents of each of the public institutions of higher education.

23 ~~(13)~~(14) To make a formal request of the governor that whenever an opportunity arises to  
24 make new appointments to the board, that the governor make every effort to increase the number  
25 of African Americans, Native Americans, Asians, and Hispanics on the board.

26 ~~(14) Within ninety (90) days after the end of each fiscal year, the board shall submit an~~  
27 ~~annual report to the governor, the speaker of the house of representatives, and the president of the~~  
28 ~~senate of its activities during that fiscal year. The report shall provide: an operating statement~~  
29 ~~summarizing meetings or hearings held, subjects addressed, decisions rendered, rules or~~  
30 ~~regulations promulgated, studies conducted, policies and plans developed, approved, or modified,~~  
31 ~~and programs administered or initiated; a consolidated financial statement of all funds received~~  
32 ~~and expended including the source of the funds, a listing of any staff supported by these funds,~~  
33 ~~and a summary of any clerical, administrative or technical support received; a summary of~~  
34 ~~performance during the previous fiscal year including accomplishments, shortcomings and~~

1 ~~remedies; a synopsis of hearings, complaints, suspensions, or other legal matters related to the~~  
2 ~~authority of the board; a briefing on anticipated activities in the upcoming fiscal year; and~~  
3 ~~findings and recommendations for improvements. The director of the department of~~  
4 ~~administration shall be responsible for the enforcement of the provisions of this subsection.~~

5 ~~(15) The board shall conduct a training course for newly appointed and qualified~~  
6 ~~members within six (6) months of their qualification. The course shall be developed by the~~  
7 ~~chairperson of the board, approved by the board, and conducted by the chairperson of the board.~~  
8 ~~The board may approve the use of any board or staff members or other individuals to assist with~~  
9 ~~training. The training course shall include instruction in the following areas: the provisions of~~  
10 ~~chapters 42-46, 36-14, and 38-2; and the board's own rules. The director of the department of~~  
11 ~~administration shall, within ninety (90) days of the effective date of this act [March 24, 2006],~~  
12 ~~prepare and disseminate training materials relating to the provisions of chapters 42-46, 36-14, and~~  
13 ~~38-2.~~

14 (15) To develop coherent plans for the elimination of unnecessary duplication in public  
15 higher education and addressing the future needs of public education within the state in the most  
16 efficient and economical manner possible.

17 (16) To delegate to the presidents of each public higher education institution the authority  
18 and responsibility for operational and management decisions related to their institutions,  
19 consistent with the goals of the statewide strategic plan for postsecondary education provided  
20 however that the presidents may be required to provide information or updates to the council  
21 regarding any delegated operational or management decisions.

22 ~~16-59-6. Commissioner of higher postsecondary education~~ **Commissioner of**  
23 **postsecondary education. --** The ~~board~~ council on postsecondary education shall appoint a  
24 commissioner of ~~higher~~ postsecondary education with the advice and consent of the board of  
25 education, who shall serve at the pleasure of the ~~board~~ council, provided that his or her initial  
26 engagement by the ~~board~~ council shall be for a period of not more than three (3) years. For the  
27 purpose of appointing, retaining, or dismissing a commissioner of ~~higher~~ postsecondary  
28 education, the governor shall serve as an additional voting member of the ~~board~~ council, and  
29 provided that in the case of a tie, the president of the senate shall cast the deciding vote. The  
30 position of commissioner shall be in the unclassified service of the state and he or she shall serve  
31 as the chief executive officer of the ~~board of governors~~ council on postsecondary education and  
32 as the chief administrative officer of the office of ~~higher education~~ postsecondary commissioner.  
33 The commissioner of ~~higher~~ postsecondary education shall have any duties that are defined in this  
34 section and in this title and other additional duties as may be determined by the ~~board~~ council,

1 and shall perform any other duties as may be vested in him or her by law. In addition to these  
2 duties and general supervision of the office of ~~higher education~~ postsecondary commissioner and  
3 the appointment of the several officers and employees of the office, it shall be the duty of the  
4 commissioner of ~~higher~~ postsecondary education:

5 (1) To develop and implement a systematic program of information gathering,  
6 processing, and analysis addressed to every aspect of higher education in the state, especially as  
7 that information relates to current and future educational needs.

8 (2) To prepare a ~~master~~ strategic plan for higher education in the state aligned with the  
9 goals of the board of education's strategic plan; to coordinate the goals and objectives of the  
10 higher public education sector with the goals of the council on elementary and secondary  
11 education, and activities of the independent higher education sector where feasible.

12 (3) To communicate with and seek the advice of those concerned with and affected by the  
13 board of ~~governors'~~ education's and council's determinations.

14 (4) To implement broad policy as it pertains to the goals and objectives established by the  
15 board of education and council on postsecondary education; to ~~enforce standards and to exercise~~  
16 ~~general supervision~~ promote better coordination between ~~over~~ higher public education in the  
17 state, ~~and over~~ independent higher education in the state as provided in subdivision (11) of this  
18 section and pre k -12 education; to assist in the preparation of the budget for public higher  
19 education and to be responsible upon direction of the ~~board~~ council for the allocation of  
20 appropriations, the acquisition, holding, and disposition, ~~and general management~~ of property.

21 (5) To be responsible for the coordination of the various higher educational functions of  
22 the state so that maximum efficiency and economy can be achieved.

23 (6) To assist the board of education in preparation and maintenance of a five (5) year  
24 strategic funding plan for higher education; to assist the ~~board~~ council in the preparation and  
25 presentation annually to the state budget officer in accordance with § 35-3-4 of a total public  
26 higher educational budget.

27 (7) To recommend to the ~~board of governors,~~ council on postsecondary education after  
28 consultation with the presidents, a clear and definitive mission for each public institution of  
29 higher learning.

30 ~~(8) To recommend to the board of governors, after consultation with the presidents, tables~~  
31 ~~of organization for the public institutions of higher learning.~~

32 (9) To annually recommend to the ~~board of governors,~~ council on postsecondary  
33 education after consultation with the presidents, the creation, abolition, retention, or consolidation  
34 of departments, divisions, programs, and courses of study within the public colleges and

1 universities to eliminate unnecessary duplication in public higher education ~~and~~, to address the  
2 future needs of public higher education in the state, and to advance proposals recommended by  
3 the presidents of the public colleges and universities pursuant to sections 16-32-2.1, 16-33-2.1  
4 and 16-33.1-2.1 of the general laws.

5 (10) To supervise the operations of the office of ~~higher education~~ postsecondary  
6 commissioner and any other additional duties and responsibilities that may be assigned by the  
7 ~~board~~ council.

8 (11) To perform the duties vested in the ~~board of governors~~ council with relation to  
9 independent higher educational institutions within the state under the terms of chapter 40 of this  
10 title and any other laws that affect independent higher education in the state.

11 (12) To be responsible for the administration of policies, rules, and regulations of the  
12 ~~board of governors~~ the council on postsecondary education with relation to the entire field of  
13 higher education within the state, not specifically granted to any other department, board, or  
14 agency and not incompatible with law.

15 (13) To prepare standard accounting procedures for public higher education and all public  
16 colleges and universities.

17 (14) To carry out the policies and directives of the board of ~~governors~~ education and the  
18 council on postsecondary education through the office of ~~higher education~~ postsecondary  
19 commissioner and through utilization of the resources of the public institutions of higher learning.

20 ~~(15) To direct the office of higher education to compile and analyze the following~~  
21 ~~information for presentation to the speaker of the house and the governor by May 1st annually:~~

22 ~~(A) A detailed departmental breakdown of all faculty members employed at each state~~  
23 ~~run college and university by rank (including all professors, associate professors, assistant~~  
24 ~~professors, lecturers, instructors) and tenure (tenured and non-tenured, other) and by race~~  
25 ~~(African American, Hispanic, Native American, and Asian) and gender.~~

26 ~~(B) A detailed report on current student enrollments for each class at each state run~~  
27 ~~college and university by race and gender, by academic department, and by outreach program~~  
28 ~~(e.g. talent development), guaranteed admissions program, and the current levels of funding and~~  
29 ~~staff support for each of these programs.~~

30 ~~(C) A report on the current status of the African and Afro-American studies programs at~~  
31 ~~each institution and a five (5) year budgetary history of the programs along with projections for~~  
32 ~~budgetary support for the next two (2) years.~~

33 ~~(D) A plan for recruitment of African American and Hispanic faculty into tenure track~~  
34 ~~positions at each institution with specific reference to and planned involvement with the New~~

1 ~~England higher education's minority faculty recruitment and development plan.~~

2 ~~(ii) Certified copies of the report shall be furnished to the board of governors and the~~  
3 ~~presidents of the state colleges and universities.~~

4 **16-59-7.1. Permanent status for non-classified employees.** -- All non-classified  
5 employees of the ~~board of governors~~ council on postsecondary education who shall have twenty  
6 (20) years, not necessarily consecutive, of service credit, these credits having been earned in  
7 either the classified, non-classified, or unclassified service or any combination of these, shall be  
8 deemed to have acquired full status in their positions as the status is defined by § 36-4-59;  
9 provided that this provision shall not apply to those employees whose base entry date is after  
10 August 7, 1996; and provided that this provision shall not apply to faculty employed by the ~~board~~  
11 ~~of governors~~ council on postsecondary education nor shall it apply to non-classified employees  
12 who have acquired tenure as faculty.

13 **16-59-9. Educational budget and appropriations.** -- (a) The general assembly shall  
14 annually appropriate any sums it deems necessary for support and maintenance of higher  
15 education in the state and the state controller is authorized and directed to draw his or her orders  
16 upon the general treasurer for the payment of the appropriations or so much of the sums that are  
17 necessary for the purposes appropriated, upon the receipt by him or her of proper vouchers as the  
18 ~~board of governors for higher education~~ council on postsecondary education may by rule provide.  
19 The ~~board~~ council shall receive, review, and adjust the budgets of its several subordinate  
20 committees and agencies and for the office of ~~higher education~~ postsecondary commissioner and  
21 present the budget as part of the budget for higher education under the requirements of § 35-3-4.

22 (b) The office of ~~higher education~~ postsecondary commissioner and the institutions of  
23 public higher education shall establish working capital accounts.

24 (c) Any tuition or fee increase schedules in effect for the institutions of public higher  
25 education shall be received by the ~~board of governors~~ council on postsecondary education for  
26 allocation for the fiscal year for which state appropriations are made to the ~~board of governors~~  
27 council by the general assembly; provided that no further increases may be made by the board of  
28 ~~governors~~ education or the council on postsecondary education for the year for which  
29 appropriations are made. Except that these provisions shall not apply to the revenues of housing,  
30 dining, and other auxiliary facilities at the University of Rhode Island, Rhode Island College, and  
31 the Community Colleges including student fees as described in P.L. 1962, ch. 257 pledged to  
32 secure indebtedness issued at any time pursuant to P.L. 1962, ch. 257 as amended.

33 (d) All housing, dining, and other auxiliary facilities at all public institutions of higher  
34 learning shall be self-supporting and no funds shall be appropriated by the general assembly to

1 pay operating expenses, including principal and interest on debt services, and overhead expenses  
2 for the facilities. Any debt service costs on general obligation bonds presented to the voters in  
3 November 2000 and November 2004 or appropriated funds from the Rhode Island capital plan for  
4 the housing auxiliaries at the University of Rhode Island and Rhode Island College shall not be  
5 subject to this self-supporting requirement in order to provide funds for the building construction  
6 and rehabilitation program. The institutions of public higher education will establish policies and  
7 procedures which enhance the opportunity for auxiliary facilities to be self-supporting, including  
8 that all faculty provide timely and accurate copies of booklist for required textbooks to the public  
9 higher educational institution's bookstore.

10 (e) The additional costs to achieve self-supporting status shall be by the implementation  
11 of a fee schedule of all housing, dining, and other auxiliary facilities, including but not limited to,  
12 operating expenses, principal, and interest on debt services, and overhead expenses.

13 **16-59-22. Applicability of merit system – Teacher certification – List of positions**

14 **transferable to classified service.** -- (a) The appointment, promotion, salaries, tenure, and  
15 dismissal of administrative, instructional, and research employees, and secretarial employees not  
16 exceeding ten (10) in number, of the state colleges shall not be subject in any manner or degree to  
17 control by the personnel administrator or by any officer or board other than the ~~board of~~  
18 ~~governors for higher education~~ [council on postsecondary education](#). The certification of teachers  
19 at the University of Rhode Island is abolished, except for teachers that elect to come or remain  
20 under it.

21 (b) All positions that are exempt from the Merit System Law, chapter 4 of title 36, which  
22 become vacant or that are to be established, must be forwarded to the personnel administrator,  
23 who in consultation with the deputy assistant commissioner of education in charge of personnel  
24 and labor relations shall determine whether the position(s) in question shall remain in the ~~board of~~  
25 ~~governors for higher education~~ [council on postsecondary education](#) non-classified service or be  
26 established in the classified service of the state.

27 (c) No position presently in the classified service of the state subject to the Merit System  
28 Law, chapter 4 of title 36, shall be changed or modified so as to establish the position in the ~~board~~  
29 ~~of governors for higher education~~ [council on postsecondary education](#) non-classified service.

30 (d) Faculty positions, presidents, vice presidents, deans, assistant deans, and student  
31 employees of the higher education institutions shall not be covered by the preceding provisions  
32 and shall remain in the ~~board of governors for higher education~~ [council on postsecondary](#)  
33 [education](#) non-classified service.

34 SECTION 6. Sections 16-59-4.1 and 16-59-8 of the General Laws in Chapter 16-59

1 entitled "Board of Governors for Higher Education" are hereby repealed.

2 ~~**16-59-4.1. Administration of higher education.** --- The director of the department of~~  
3 ~~administration is hereby directed to conduct research and analysis to recommend a revised plan~~  
4 ~~for the organizational structure for higher education governance, staff support and resource~~  
5 ~~allocation in Rhode Island. This plan shall address the goal of improving affordability and~~  
6 ~~accessibility to public higher education; and maximizing efficiencies while providing sufficient~~  
7 ~~support to the governance structure of public higher education. The director of the department of~~  
8 ~~administration is directed to report findings, recommendations and alternative designs to the~~  
9 ~~general assembly no later than November 1, 2011 with copies to the speaker of the house, senate~~  
10 ~~president, chairs of the house and senate finance committees and their respective fiscal advisors.~~

11 ~~The report shall include a strategic plan that outlines the mission, goals, and the estimated~~  
12 ~~cost and timelines to implement said recommendations. The report shall provide a clear definition~~  
13 ~~of roles and responsibilities, including those responsible for implementing the proposed~~  
14 ~~recommendations. The analysis shall develop measures of success, and an appropriate timeline to~~  
15 ~~measure implementation progress. It shall also include:~~

16 ~~(1) An examination of the various organizational structures in other states, evaluating~~  
17 ~~their strengths and weaknesses, and how they may or may not be applicable in Rhode Island. This~~  
18 ~~should include an evaluation of the best practices regarding organizational structures for higher~~  
19 ~~education.~~

20 ~~(2) An analysis of what functions could be allocated to other institutions, and which~~  
21 ~~might be centralized to translate into efficiencies and more effective higher education policy. This~~  
22 ~~should include, but not be limited to, strategies to reorganize and or centralize finance,~~  
23 ~~purchasing, human resources, information technology, and facilities management within an office~~  
24 ~~of higher education, with specific direction on the allocation of resources, staff and~~  
25 ~~responsibilities.~~

26 ~~The report should explore the feasibility of permanently allocating all operational~~  
27 ~~activities and other responsibilities currently held within the office of higher education to the~~  
28 ~~three (3) higher education institutions or other viable alternatives while maintaining the board of~~  
29 ~~governors.~~

30 ~~All departments and agencies of the state shall furnish such advice and information,~~  
31 ~~documentary or otherwise to the director of the department of administration and its agents as is~~  
32 ~~deemed necessary or desirable to facilitate the purposes of the study.~~

33 ~~**16-59-8. Operating executive committee.** --- (a) There is established an operating~~  
34 ~~executive committee which shall be composed of the president of the University of Rhode Island,~~

1 ~~the president of Rhode Island College, the president of Community College of Rhode Island and~~  
2 ~~the commissioner of higher education. The commissioner of higher education shall serve as the~~  
3 ~~chairperson of the committee.~~

4 (b) ~~The committee shall meet on a regular basis, provided, that they shall meet not less~~  
5 ~~than twelve (12) times per year, and the purpose of the committee shall include but not be limited~~  
6 ~~to developing coherent plans for the elimination of unnecessary duplication in public higher~~  
7 ~~education and addressing the future needs of public higher education within the state in the most~~  
8 ~~efficient and economical manner possible. All recommendations and information gathered at the~~  
9 ~~meetings of the committee shall be forwarded to the board of governors by the commissioner of~~  
10 ~~higher education in conjunction with the presidents for approval and disapproval.~~

11 (c) ~~Prior to the presentation of any proposal to the board of governors, the committee~~  
12 ~~shall fully examine its impact on higher education, including but not limited to its impact on~~  
13 ~~educational budgetary requirements, quality of higher education and elimination of unnecessary~~  
14 ~~duplication. The chairperson of the committee may invite additional participation by faculty and~~  
15 ~~other employees when he or she deems it necessary.~~

16 SECTION 7. Sections 16-60-1, 16-60-2, 16-60-4 and 16-60-6 of the General Laws in  
17 Chapter 16-60 entitled "Board of Regents for Elementary and Secondary Education" are hereby  
18 amended to read as follows:

19 **16-60-1. Board council on elementary and secondary education established.** -- (a)

20 There is created a ~~board of regents for elementary and secondary education sometimes referred to~~  
21 ~~as the "regents" or the "board of regents,"~~ council on elementary and secondary education which  
22 shall be and is constituted a public corporation, empowered to sue and be sued in its own name, to  
23 have a corporate seal, and to exercise all the powers, in addition to those specifically enumerated  
24 in this chapter, usually appertaining to public corporations entrusted with control of elementary  
25 and secondary education institutions and functions. The ~~regents~~ council on elementary and  
26 secondary education shall be protected from sudden changes in membership and reversal of  
27 policy by having staggered terms for its public members.

28 (b) Upon its organization the ~~board of regents~~ council on elementary and secondary  
29 education shall be invested with the legal title (in trust for the state) to all property, real and  
30 personal, now owned by and/or under the control or in the custody of the board of regents for  
31 education for the use of the department of elementary and secondary education. The ~~board of~~  
32 ~~regents~~ council on elementary and secondary education is made successor to all powers, rights,  
33 duties, and privileges pertaining to elementary and secondary education.

34 (c) The ~~board of regents for elementary and secondary education shall consist of ten (10)~~

1 ~~members as follows: Eight (8) public members appointed pursuant to the terms of subsection 16-~~  
2 ~~60-2(a), one student member who shall be ex officio and nonvoting elected pursuant to the~~  
3 ~~provisions of subsection 16-60-2(d), and a member of the board of governors for higher education~~  
4 ~~designated by the governor~~ council on elementary and secondary education shall consist of seven  
5 (7) members appointed by the governor from the membership of the board of education  
6 established pursuant to section 16-97-1 of the general laws. Five (5) voting members of the board  
7 shall constitute a quorum and the vote of a majority vote of those present and voting shall be  
8 required for action.

9 The public members of the ~~board of regents~~ council on elementary and secondary  
10 education shall not be compensated for service in attending meetings or duly organized  
11 subcommittee meetings of the board of education or the council at which business is transacted.

12 (d) The governor shall designate one of the public members as chairperson of the ~~board~~  
13 ~~of regents~~ council on elementary and secondary education. The ~~board~~ council may elect from  
14 among its members such other officers as it deems necessary.

15 (e) The council on elementary and secondary education is made successor to all powers,  
16 rights, duties, and privileges formerly belonging to the board of regents for elementary and  
17 secondary education, unless otherwise specified in law.

18 **16-60-2. Appointment of board members. --** (a) The governor shall ~~with the advice and~~  
19 ~~consent of the senate establish the board by appointing eight (8) members to serve staggered~~  
20 ~~terms. The appointments shall be made for terms of three (3) years commencing on February 1 in~~  
21 ~~the year of appointment and ending on January 31 in the third (3rd) year after this, except, at the~~  
22 ~~expiration of their terms members shall remain and continue in their official capacity until a new~~  
23 ~~member is appointed and confirmed. Any vacancy among the public members of the board shall~~  
24 ~~be filled by appointment of the governor for the remainder of the unexpired term. In the selection~~  
25 ~~and appointment of members of the board the governor shall seek persons who best serve the~~  
26 ~~entire needs of the state. Public members shall not be appointed for more than three (3)~~  
27 ~~successive three (3) year terms each; provided, that this limitation shall not apply to that person~~  
28 ~~designated as chairperson by the governor who may be a member so long as he or she shall serve~~  
29 ~~as chairperson.~~ establish the council on elementary and secondary education by appointing seven  
30 (7) members of the board of education established pursuant to chapter 16-97 to serve as members  
31 of the council until the expiration of their term and appointment of their successor as a member of  
32 the board of education. The governor shall appoint the chair of the council on an annual basis  
33 from among the seven (7) council members.

34 (b) No person shall be eligible for appointment to the board after the effective date of this

1 act [March 24, 2006] unless he or she is a resident of this state.

2 (c) Members of the ~~board~~ council on elementary and secondary education shall be  
3 removable by the governor pursuant to the provisions of § 36-1-7 of the general laws and for  
4 cause only, and removal solely for partisan or personal reasons unrelated to capacity or fitness for  
5 the office shall be unlawful.

6 (d) There is hereby established a student advisory council to the ~~board of regents~~ council  
7 on elementary and secondary education, consisting of one elected high school student  
8 representative from each public secondary school in the state of Rhode Island.

9 (1) Each public secondary school shall hold elections for its representative to the student  
10 advisory council no earlier than the first (1st) day of March and no later than the end of the  
11 second (2nd) full week of April. Each school shall elect only one representative. Elected members  
12 shall be notified of their election on or before the Friday of the third (3rd) week of April of the  
13 year of their election. No person shall be eligible to be elected to the student advisory council  
14 unless at the time of his or her election he or she is enrolled as a student in a secondary school  
15 between the grades of nine (9) and eleven (11) within the state of Rhode Island. No person shall  
16 be allowed to vote if they are not currently enrolled in a Rhode Island public secondary school  
17 between the grades of nine (9) and eleven (11). If at any time during his or her term of office a  
18 member of the student advisory council ceases to be so enrolled, his or her membership shall be  
19 terminated and his or her position shall be deemed vacant. This vacancy shall be filled by the  
20 public secondary school within thirty (30) school days of the opening of the vacancy.

21 (2) The student advisory council will serve from the first (1st) day of May of the year it is  
22 elected until the last day of April of the following year. A student may serve no more than three  
23 (3) terms.

24 (3) Said student advisory council shall meet from time to time and shall consider such  
25 matters as it deems appropriate.

26 (4) Prior to the first (1st) day of June of each annual session the student advisory council  
27 shall adopt a set of bylaws.

28 (5) Members of the council shall not be compensated for service in attending meetings  
29 except that they shall be reimbursed for necessary expenses incurred in travelling to and from  
30 meetings.

31 (6) The members of said student advisory council shall, by majority vote prior to the first  
32 (1st) day of June in each year, elect from their members a chairperson who shall serve for a term  
33 of one year beginning on the first (1st) day of June. Said chairperson shall serve as an ex officio  
34 and nonvoting member of the ~~board of regents~~ council for a term of one year, unless the student

1 advisory council removes said chairperson from his or her position in a manner described within  
2 the bylaws of that council and/or if he or she is otherwise removed by the governor.

3 ~~16-60-4. Board of regents for elementary and secondary education~~ Council on  
4 elementary and secondary education– Powers and duties. -- The ~~board of regents for~~  
5 ~~elementary and secondary education~~ Council on Elementary and Secondary Education shall have  
6 in addition to those enumerated in § 16-60-1, the following powers and duties:

7 (1) To approve a systematic program of information gathering, processing, and analysis  
8 addressed to every aspect of elementary and secondary education in this state especially as that  
9 information relates to current and future educational needs so that current needs may be met with  
10 reasonable promptness and plans formulated to meet future needs as they arise in the most  
11 efficient and economical manner possible.

12 (2) To approve a master plan ~~defining~~ implementing the broad goals and objectives for  
13 elementary and secondary education in the state that have been established by the board of  
14 education. These goals and objectives shall be expressed in terms of what men and women should  
15 know and be able to do as a result of their educational experience. The ~~regents~~ council on  
16 elementary and secondary education shall continually evaluate the efforts and results of education  
17 in the light of these objectives.

18 (3) To ~~formulate broad policy to implement the goals and objectives established and~~  
19 ~~adopted by the board of regents; to~~ adopt standards and require enforcement and to exercise  
20 general supervision over all elementary and secondary public and nonpublic education in the state  
21 as provided in subdivision (8) of this section. The ~~board of regents~~ council on elementary and  
22 secondary education shall not engage in the operation or administration of any subordinate  
23 committee, local school district, school, school service, or school program, except its own  
24 department of elementary and secondary education, and except as specifically authorized by an  
25 act of the general assembly. The adoption and submittal of the budget and the allocation of  
26 appropriations, the acquisition, holding, disposition, and general management of property shall  
27 not be construed to come within the purview of the preceding prohibition. The ~~regents~~ council on  
28 elementary and secondary education shall communicate with and seek the advice of the  
29 commissioner of elementary and secondary education and all those concerned with and affected  
30 by its determinations as a regular procedure in arriving at its conclusions and in setting its policy.

31 (4) To allocate and coordinate the various educational functions among the educational  
32 agencies of the state and local school districts and to promote cooperation among them so that  
33 maximum efficiency and economy shall be achieved.

34 (5) To prepare with the assistance of the commissioner of elementary and secondary

1 education and to present annually to the state budget officer, in accordance with § 35-3-4, a total  
2 educational budget for the elementary and secondary sector which shall include, but not be  
3 limited to, the budgets of the department of elementary and secondary education, subordinate  
4 boards and agencies, and state aid to local school districts. Prior to submitting the budget as  
5 required by the budget office instructions and this subsection the council shall present the budget  
6 to the board of education for review and consent.

7 (ii) In the preparation of the budget, the ~~regents~~ council on elementary and secondary  
8 education shall ~~determine~~ implement the priorities established by the board of education of  
9 expenditures for elementary and secondary education purposes of state revenues and other public  
10 resources made available for the support of public elementary and secondary education among  
11 the various education agencies of the state. Nothing contained in this section shall authorize any  
12 individual or group of individuals to reallocate resources in a manner other than that prescribed in  
13 the budget as appropriations by the general assembly.

14 (6) To maintain a department of elementary and secondary education, to provide for its  
15 staffing and organization and to appoint a commissioner of elementary and secondary education  
16 pursuant to § 16-60-6 who shall serve at its pleasure. The commissioner of elementary and  
17 secondary education and the department of elementary and secondary education shall have any  
18 duties and responsibilities as defined in §§ 16-60-6 and 16-60-7.

19 (7) To establish other educational agencies or subcommittees necessary or desirable for  
20 the conduct of any or all aspects of elementary and secondary education and to determine all  
21 powers, functions, and composition of any agencies or subcommittees and to dissolve them when  
22 their purpose shall have been fulfilled; provided that nothing contained in this subdivision shall  
23 be construed to grant the regents the power to establish subcommittees or agencies performing the  
24 duties and functions of local school committees except as provided in § 16-1-10.

25 (8) To exercise the authority previously vested in the board of regents for education with  
26 relation to secondary nonpublic educational institutions within the state under the terms of  
27 chapter 40 of this title and other laws affecting nonpublic education in the state, and to cause the  
28 department of elementary and secondary education to administer the provisions of that section.

29 (9) To exercise all the functions, powers and duties which previously were vested in the  
30 board of regents for education, under the provisions of former § 16-49-4(9), including but not  
31 limited to the following specific functions:

32 (i) To approve the basic subjects and courses of study to be taught and instructional  
33 standards required to be maintained in the public elementary and secondary schools of the state.

34 (ii) To adopt standards and qualifications for the certification of teachers and to provide

1 for the issuance of certificates, and to establish fees for the certification of teachers. The fees  
2 collected for the certification of teachers along with various education licensing and testing fees  
3 shall be deposited by the ~~board of regents~~ [council on elementary and secondary education](#) as  
4 general revenues. The funds appropriated by the general assembly shall be utilized by the  
5 department of elementary and secondary education to establish and support programs which  
6 enhance the quality and diversity of the teaching profession. The commissioner of elementary and  
7 secondary education shall regularly make recommendations to the board about specific programs  
8 and projects to be supported by those funds. The commissioner shall oversee the funds, assess the  
9 effectiveness of its programs and projects, and make recommendations about the general use and  
10 operation of the funds to the board.

11 (iii) To be responsible for the distribution of state school funds.

12 (iv) To determine the necessity of school construction and to approve standards for  
13 design and construction of school buildings throughout the state.

14 (v) To set standards for school libraries and school library services.

15 (vi) To make recommendations relative to transportation of pupils to school, school bus  
16 routes, time schedules, and other matters relating to pupil transportation.

17 (vii) To enforce the provisions of all laws relating to elementary and secondary  
18 education.

19 (viii) To decide and determine appeals from decisions of the commissioner.

20 (ix) To prescribe forms for the use of local school committees and local officers when  
21 reporting to the department of elementary and secondary education.

22 (x) To adopt and require standard accounting procedures for local school districts, except  
23 as provided for in subdivision (3) of § 16-24-2.

24 (xi) To adopt and require standard uniform operating and capital budgeting procedures  
25 for local school districts.

26 (10) To establish rules for the approval and accrediting of elementary and secondary  
27 schools.

28 (11) To recommend to the general assembly changes in the size and number of the school  
29 districts within the state; and to make any further and other recommendations to the general  
30 assembly as the board of regents may determine to be necessary or desirable, including, but not  
31 limited to, proposals for incentives for the coordination of services and facilities of certain school  
32 districts and the feasibility of granting taxing authority to local school committees upon their  
33 request, and the impact upon the quality of education within that particular community by  
34 granting the request. In carrying out this duty, the ~~board of regents~~ [council on elementary and](#)

1 [secondary education](#) shall periodically issue reports in school district organizations for selected  
2 regions and school districts.

3 (12) To exercise all other powers with relation to the field of elementary and secondary  
4 education within this state not specifically granted to any other department, board, or agency, and  
5 not incompatible with law, which the ~~board of regents for elementary and secondary education~~  
6 [council on elementary and secondary education](#) may deem advisable.

7 (13) To exercise the authority previously vested in the board of regents for education with  
8 relation to adult education as defined in § 16-58-2 and to establish definitive goals for and operate  
9 a comprehensive delivery system for adult education programs and services, including the  
10 counseling and testing of persons interested in obtaining high school equivalency diplomas, the  
11 issuance of diplomas, and the maintenance of a permanent record of applications, tests, and  
12 equivalency diplomas.

13 (14) To promote maximum efficiency and economy in the delivery of elementary and  
14 secondary educational services in the state.

15 (15) To approve a training program for school committee members to enhance their  
16 individual skills and their effectiveness as a corporate body. The training program should include,  
17 but not be limited to, the following roles and responsibilities of school committees: strategic  
18 planning, human and community relations, and school finance and budgeting.

19 (16) Within ninety (90) days after the end of each fiscal year, the board shall submit an  
20 annual report to the governor, the speaker of the house of representatives, and the president of the  
21 senate of its activities during that fiscal year. The report shall provide: an operating statement  
22 summarizing meetings or hearings held, subjects addressed, decisions rendered, rules or  
23 regulations promulgated, studies conducted, policies and plans developed, approved, or modified,  
24 and programs administered or initiated; a consolidated financial statement of all funds received  
25 and expended including the source of the funds, a listing of any staff supported by these funds,  
26 and a summary of any clerical, administrative or technical support received; a summary of  
27 performance during the previous fiscal year including accomplishments, shortcomings and  
28 remedies; a synopsis of hearings, complaints, suspensions, or other legal matters related to the  
29 authority of the ~~board~~ [council](#); a briefing on anticipated activities in the upcoming fiscal year; and  
30 findings and recommendations for improvements. The director of the department of  
31 administration shall be responsible for the enforcement of the provisions of this subsection.

32 (17) To prepare with the assistance of the commissioner a multi-year plan of priority  
33 educational goals and objectives. This plan should recommend policy objectives, implementation  
34 strategies, and a timetable for major policy initiatives.

1 (18) Each year the governor shall by writing notify the ~~board of regents for elementary~~  
2 ~~and secondary education~~ council on elementary and secondary education concerning broad  
3 economic, cultural, and social needs that the education system needs to consider which the board  
4 shall address in developing educational plans and programs.

5 (19) Appoint a standing committee that will develop a schedule to systematically review  
6 all ~~board~~ council policies over a three (3) year period.

7 (20) To prepare with the assistance of the commissioner a statement of regulatory policy.  
8 This policy should set forth the goals and objectives of state regulations which are expressed in  
9 terms of what educational inputs and outputs the board expects regulations to address.

10 (21) To prepare with the assistance of the commissioner of elementary and secondary  
11 education and to present annually to the general assembly by January 1 a report on school  
12 discipline in Rhode Island schools. This report shall include:

13 (A) Expulsions by district, including duration and the reason for each action.

14 (B) Suspensions by district, including duration and the reason for each action.

15 (C) Placements to alternative programs for disciplinary reasons.

16 (D) Assaults of teachers, students, and school staff by students.

17 (E) Incidents involving possession of weapons on school property. For the purpose of this  
18 section, a weapon shall be considered any of those weapons described in §§ 11-47-2 and 11-47-  
19 42.

20 (F) Incidents of the sale of controlled substances by students.

21 (G) Incidents of the possession with the intent to sell controlled substances by students.

22 (H) Additional demographic information including, but not limited to, the ethnic and  
23 racial classifications, age, and gender, as prescribed by the commissioner, of each of the students  
24 involved in the incidents, events or actions described in subparagraphs (A) through (G) of this  
25 subdivision.

26 (I) A description of the education program provided to each student suspended for over  
27 ten (10) consecutive school days in a school year.

28 (ii) All school superintendents shall supply the necessary information on forms  
29 established by the commissioner of elementary and secondary education to the ~~board of regents~~  
30 council on elementary and secondary education to assist in the preparation of the ~~board of regents'~~  
31 council's report on school discipline.

32 (22) To prepare and promulgate a uniform statewide school reporting system which  
33 would provide information including, but not limited to, the following:

34 (i) Student and teacher attendance rates;

- 1 (ii) Standardized test scores;
- 2 (iii) Demographic profiles;
- 3 (iv) Results of polls of students, parents, and teachers;
- 4 (v) Descriptions of goals, initiatives, and achievements;
- 5 (vi) Best teaching practices;
- 6 (vii) Alternative student assessments;
- 7 (viii) Special programs;
- 8 (ix) Number of student suspensions and teacher grievances and the amount of parental
- 9 involvement.

10 ~~(23) The board shall conduct a training course for newly appointed and qualified~~  
11 ~~members within six (6) months of their qualification. The course shall be developed by the~~  
12 ~~chairperson of the board, approved by the board, and conducted by the chairperson of the board.~~  
13 ~~The board may approve the use of any board or staff members or other individuals to assist with~~  
14 ~~training. The training course shall include instruction in the following areas: the provisions of~~  
15 ~~chapters 42-46, 36-14, and 38-2; and the board's own rules. The director of the department of~~  
16 ~~administration shall, within ninety (90) days of the effective date of this act, prepare and~~  
17 ~~disseminate training materials relating to the provisions of chapters 42-46, 36-14, and 38-2.~~

18 **16-60-6. Commissioner of elementary and secondary education.** -- The ~~regents~~  
19 council on elementary and secondary education, with the advice and consent of the board of  
20 education, shall appoint a commissioner of elementary and secondary education who shall serve  
21 at the pleasure of the ~~regents~~ council on elementary and secondary education, provided that the  
22 commissioner's initial engagement by the ~~regents~~ council shall be for a period of not more than  
23 three (3) years. For the purpose of appointing, retaining, or dismissing a commissioner, the  
24 governor shall serve as an additional voting member of the ~~board of regents~~ council on  
25 elementary and secondary education, and provided that in the case of a tie, the president of the  
26 senate shall cast the deciding vote. The position of commissioner shall be in the unclassified  
27 service of the state and he or she shall serve as the chief executive officer of the ~~board of regents~~  
28 council on elementary and secondary education and as the chief administrative officer of the  
29 department of elementary and secondary education. The commissioner of elementary and  
30 secondary education shall have the duties that are defined in this section and in this title and any  
31 other additional duties that may be determined by the ~~regents~~ the council on elementary and  
32 secondary education, and shall perform any other duties that may be vested in the commissioner  
33 by law. In addition to the general supervision of the department of elementary and secondary  
34 education and the appointment of the several officers and employees of the department, it shall be

1 the duty of the commissioner of elementary and secondary education:

2 (1) To develop and implement a systematic program of information gathering,  
3 processing, and analysis addressed to every aspect of elementary and secondary education in the  
4 state, especially as that information relates to current and future educational needs.

5 (2) To prepare a master plan for elementary and secondary education in the state; to  
6 coordinate the goals and objectives of the public elementary and secondary education sector with  
7 the activities of the nonpublic elementary and secondary education sector where feasible.

8 (3) To communicate with and seek the advice of those concerned with and affected by the  
9 board of ~~regents'~~ education's and the council's determinations.

10 (4) To implement broad policy as it pertains to the goals and objectives established by the  
11 ~~regents~~ board of education; to enforce standards and to exercise general supervision over public  
12 elementary and secondary education in the state and over all elementary and secondary nonpublic  
13 education in the state as provided in subdivision (8) of this section; to assist in the preparation of  
14 the budget for elementary and secondary education and to be responsible upon direction of the  
15 ~~regents~~ council on elementary and secondary education for the allocation of appropriations, the  
16 acquisition, holding, disposition, and general management of property.

17 (5) To be responsible for the coordination of the various elementary and secondary  
18 educational functions among the educational agencies of the state including local school districts  
19 and to encourage and to assist in the cooperation among them so that maximum efficiency and  
20 economy may be achieved.

21 (6) To assist the ~~regents~~ council on elementary and secondary education in the  
22 preparation and presentation annually to the state budget officer, in accordance with § 35-3-4, of  
23 a total state elementary and secondary educational budget which shall include, but not be limited  
24 to, the budget of the department of elementary and secondary education, subcommittees and  
25 agencies, and state aid to local school districts.

26 (7) To supervise the operation of the department of elementary and secondary education,  
27 to have the duties as defined in § 16-1-5 and in this title or in law wherever outlined, and other  
28 additional duties and responsibilities that may be assigned by the ~~regents~~ council on elementary  
29 and secondary education.

30 (8) To perform the duties vested in the board of ~~regents~~ education and council on  
31 elementary and secondary education with relation to nonpublic elementary and secondary  
32 educational institutions within the state under the terms of chapter 40 of this title, and other laws  
33 that affect nonpublic elementary and secondary education in the state.

34 (9) To supervise the following specific functions:

- 1 (i) To recommend the basic subjects and courses of study to be taught and instructional  
2 standards to be maintained in the public elementary and secondary schools in the state.
- 3 (ii) To recommend standards and qualifications of teachers and to issue certificates upon  
4 approval of standards and qualifications by the ~~regents~~ [council on elementary and secondary](#)  
5 [education](#).
- 6 (iii) To distribute state school funds in accordance with law and regulations of the ~~board~~  
7 ~~of regents~~ [council on elementary and secondary education](#).
- 8 (iv) To certify as to the necessity of school construction and that standards and design are  
9 in accordance with law and regulations of the ~~regents~~ [council on elementary and secondary](#)  
10 [education](#) and to approve a design for school construction throughout the state.
- 11 (v) To certify that school library standards and services are in accordance with law and  
12 regulations of the ~~board of regents~~ [council on elementary and secondary education](#).
- 13 (vi) To recommend to the ~~board of regents matters~~ [council on elementary and secondary](#)  
14 [education](#) relating to the transportation of pupils to school.
- 15 (vii) To require the observance of all laws relating to elementary and secondary schools  
16 and education.
- 17 (viii) To interpret school law and to decide any controversies that may be appealed to him  
18 or her from decisions of local school committees.
- 19 (ix) To prepare and recommend standard forms for the use of local schools when  
20 reporting to the department of elementary and secondary education.
- 21 (x) To prepare standard accounting and auditing procedures for local school districts,  
22 except for the purposes of subdivision (3) of § 16-24-2 which shall be done in conjunction with  
23 the auditor general.
- 24 (xi) To prepare uniform budgeting procedures for local school districts.
- 25 (xii) To determine when special purpose grants made to local school districts shall be  
26 eligible for reimbursement through the school operations aid formula in accordance with chapter  
27 7 of this title, and to designate the purpose(s) for which the local school district may use the  
28 school operations aid reimbursement, including reimbursement on local matching funds used to  
29 support the special purpose grant. The commissioner shall promulgate and adopt rules and  
30 regulations to carry out the intent of this subsection.
- 31 (10) To approve and accredit elementary and secondary schools in accordance with the  
32 policy and regulations of the ~~board of regents~~ [council on elementary and secondary education](#).
- 33 (11) To be responsible for the administration of policies, rules, and regulations of the  
34 board of ~~regents~~ [education and the council on elementary and secondary education](#) with relation

1 to the entire field of elementary and secondary education within the state not specifically granted  
2 to any other department, board, or agency and not incompatible with law.

3 (12) To receive from law enforcement agencies a list periodically of the names of Rhode  
4 Island missing children and to disseminate these lists to local school districts.

5 SECTION 8. Sections 16-97-1 and 16-97-6 of the General Laws in Chapter 16-97  
6 entitled "The Rhode Island Board of Education Act" are hereby amended to read as follows:

7 **16-97-1. Rhode Island board of education established.** -- (a) Effective January 1, 2013,  
8 there is created a board of education which shall ~~be and is constituted a public corporation,~~  
9 ~~empowered to sue and be sued in its own name, to have a corporate seal, and to be vested with all~~  
10 ~~the powers and duties currently vested in the board of governors for higher education established~~  
11 ~~in chapter 16-59 and the board of regents for elementary and secondary education established in~~  
12 ~~chapter 16-60.~~ be responsible for and shall exercise the purposes, powers and duties as defined in  
13 this chapter and chapters 16-59 and 16-60 of the general laws. The Board is responsible for the  
14 coordination of education from pre-k through higher education and shall set goals and policies for  
15 the effective coordination of these public education systems.

16 ~~(b) Upon its organization, the board of education shall be vested with the legal title (in~~  
17 ~~trust for the state) to all property, real and personal, now owned by and/or under the control or in~~  
18 ~~the custody of the board of governors for higher education and the board of regents for~~  
19 ~~elementary and secondary education, for the use of the board of education. The board of~~  
20 ~~education is hereby designated successor to all powers, rights, duties, and privileges pertaining to~~  
21 ~~the board of regents for elementary and secondary education and the board of governors for~~  
22 ~~higher education.~~

23 ~~(e)~~(b) The board of education shall consist of ~~eleven (11)~~ fifteen (15) public members  
24 appointed by the governor with the advice and consent of the senate. ~~Four (4)~~ Six (6) of the  
25 members initially appointed pursuant to this section shall serve terms of three (3) years; ~~four (4)~~  
26 six (6) members initially appointed pursuant to this section shall serve terms of two (2) years;  
27 and, three (3) members initially appointed pursuant to this section shall serve terms of one year.  
28 Thereafter, all members appointed pursuant to this section shall serve terms of three (3) years. No  
29 board member shall be appointed to serve more than two (2) three (3) year terms. The public  
30 members of the board shall not be compensated for their service in attending meetings or duly  
31 organized meetings of the council on elementary and secondary education, or the council for  
32 postsecondary education, or any subcommittees of the board.

33 ~~(d)~~(c) The governor shall select from the appointed members a chairperson and vice  
34 chairperson. A quorum shall consist of ~~six (6)~~ nine (9) members of the board. A majority vote of

1 those present shall be required for action.

2 ~~(e)(d)~~ The statutory responsibilities of the department of elementary and secondary  
3 education, the commissioner of elementary and secondary education, and the commissioner of  
4 higher postsecondary education shall remain unchanged. ~~No later than July 1, 2013, the board of~~  
5 ~~education shall submit to the governor and the general assembly its final plan for the permanent~~  
6 ~~administrative structure for higher education. As a requisite element of the administrative~~  
7 ~~structure for higher education, the board of education shall establish a plan for distributing the~~  
8 ~~assets, responsibilities, powers, authorities, and duties of the office of higher education to the~~  
9 ~~three (3) higher education institutions and appropriate state agencies. Said distribution shall be~~  
10 ~~done in a manner designed to maximize efficiency, provide greater articulation of the respective~~  
11 ~~responsibilities of elementary and secondary and higher education, and ensure that students are~~  
12 ~~prepared to succeed in school, college, careers, and life. The permanent governance structure for~~  
13 ~~higher education shall, at a minimum: (1) Provide clear guidance on statutory, legal, financial and~~  
14 ~~contractual obligations; (2) Establish a policy framework that furthers the goals of this chapter;~~  
15 ~~and (3) Establish appropriate administrative structures, support, policies and procedures.~~  
16 ~~Effective July 1, 2014, the office of higher education shall be abolished.~~

17 (e) At the expiration of their terms members shall remain and continue in their official  
18 capacity until their successor is appointed and confirmed. Any vacancy among the public  
19 members of the board shall be filled by appointment of the governor for the remainder of the  
20 unexpired term. In the selection and appointment of members of the board, the governor shall  
21 seek persons who best serve the needs of the entire state. Public members shall not be appointed  
22 for more than three (3) successive three (3) year terms each; provided, however, that this  
23 limitation shall not apply to that person designated as chairperson by the governor, who may  
24 remain a member so long as he or she shall serve as chairperson.

25 (f) No person shall be eligible for appointment to the board after the effective date of this  
26 act, unless a resident of this state.

27 (g) Members of the board shall be removable by the governor pursuant to the provisions  
28 of § 36-1-7 of the general laws and for cause only. Removal solely for partisan or personal  
29 reasons unrelated to capacity or fitness for the office shall be prohibited.

30 (h) The chair of the board of education shall consult with the chairs of the council on  
31 elementary and secondary education, the council on postsecondary education, the commissioner  
32 of elementary and secondary education, and the commissioner of postsecondary education in  
33 developing agendas, goals, policies and strategic plans for the board.

34 **16-97-6. Reporting requirements. --** The board shall submit ~~periodic reports~~ an annual

1 report to the governor, speaker of the house, senate president, chairs of the house and senate  
2 finance committees and their respective fiscal advisors, the chair of the house health, education  
3 and welfare committee, and chair of the senate education committee no later than March 1, 2015  
4 and every March 1 thereafter ~~on its progress towards implementation of this chapter. The first~~  
5 ~~report shall be submitted no later than April 1, 2013 and quarterly thereafter until January 1,~~  
6 ~~2014. It shall submit a report annually thereafter through 2018.~~

7 SECTION 9. Chapter 16-97 of the General Laws entitled "The Rhode Island Board of  
8 Education Act" is hereby amended by adding thereto the following sections:

9 **16-97-1.1. Purposes of the board of education.** -- The Rhode Island Board of Education  
10 shall be responsible for long-range planning and for coordinating and evaluating policies and  
11 programs for the public educational systems of the state. The general assembly finds and declares  
12 that the board of education shall have the following purposes:

13 (a) To develop and adopt educational, financial and operational goals for the education  
14 systems of the state that represent achievable benchmarks for a ten (10) year and (20) twenty (20)  
15 year time scale and that can be implemented by the council on elementary and secondary  
16 education, the council on postsecondary education, and the commissioners for elementary and  
17 secondary education and postsecondary education;

18 (b) To ensure that the education systems of the state are aligned with the projected  
19 opportunities in workforce development and economic development and that the education  
20 systems are preparing students to participate in the future workforce of Rhode Island;

21 (c) To coordinate programs and courses of study and promote collaboration between and  
22 among pre-kindergarten through higher education institutions and agencies, including, but not  
23 limited to:

- 24 (1) improving career and college readiness;  
25 (2) reducing the need for remedial instruction;  
26 (3) implementing and coordinating common core and other system wide standards;  
27 (4) ensuring there is a quality system for adult education and certification programs in  
28 secondary school and community college.

29 (d) To present strategic budget and finance recommendations to the council on  
30 elementary and secondary education and council on postsecondary education that are aligned with  
31 the long-range goals adopted by the board.

32 **16-97-1.2. Powers and duties of the board of education.** -- The board of education  
33 shall have the following powers and duties:

34 (a) To develop and adopt a strategic plan defining broad goals and objectives for

1 education in the state. These goals and objectives shall be expressed in terms of the future  
2 educational attainment of the population, quality of life and economy of Rhode Island, including  
3 but not limited to what children, men and women should know and be able to do as a result of  
4 their educational experience and the contributions of education to meeting the workforce and  
5 economic development needs of Rhode Island. The board shall approve the strategic plans for  
6 elementary and secondary education and postsecondary education in terms of the alignment of  
7 these strategic plans with the overall strategic plan of the board of education. The board shall  
8 continuously evaluate the efforts of the council on elementary and secondary education and the  
9 council on postsecondary education to implement the strategic plans and shall review the results  
10 of education in the light of these objectives;

11 (b) To prepare and maintain a five (5) year strategic funding plan for all levels of  
12 education in Rhode Island. The board shall determine priorities of expenditures for public  
13 education purposes of state revenues and other public resources made available for the support of  
14 public education and direct the council on elementary and secondary education and the council on  
15 postsecondary education to implement those priorities when developing the annual budget for  
16 elementary and secondary education and higher education. The councils shall present their annual  
17 budgets to the board for its review and consent. Nothing contained in this subdivision shall  
18 authorize the board to alter the allocation of grants or aid otherwise provided by law;

19 (c) To develop and submit to the general assembly for approval a performance funding  
20 formula for public higher education that furthers the purposes of the board and ensures that all  
21 students may achieve educational excellence;

22 (d) To develop policies that maximize the potential of collaboration from elementary and  
23 secondary education through higher education systems and that improve efficiencies at all levels  
24 of the education system through improved coordination of activities;

25 (e) To embrace the legislative findings regarding virtual education established by section  
26 16-22.1-2 of the general laws and adopt goals and policies that address these findings and to  
27 encourage the council on elementary and secondary education and the council for postsecondary  
28 education to develop and or improve virtual learning experiences for Rhode Island students;

29 (f) To provide advice and consent to the council on elementary and secondary education  
30 regarding the appointment of a commissioner of elementary and secondary education.

31 (g) To provide advice and consent to the council for postsecondary education regarding  
32 the appointment of a commissioner of postsecondary education.

33 (h) To conduct a training course for newly appointed and qualified board members within  
34 six (6) months of their qualification. The course shall be developed by the chairperson of the

1 board, approved by the board, and conducted by the chairperson of the board. The board may  
2 approve the use of any board or staff members or other individuals to assist with training. The  
3 training course shall include instruction in the following areas: the provisions of chapters 42-46,  
4 36-14, and 38-2; and the board's own rules. The director of the department of administration  
5 shall, within ninety (90) days of the effective date of this act, prepare and disseminate training  
6 materials relating to the provisions of chapters 42-46, 36-14, and 38-2.

7 SECTION 10. Sections 16-97-2 and 16-97-3 of the General Laws in Chapter 16-97  
8 entitled "The Rhode Island Board of Education Act" are hereby repealed.

9 ~~**16-97-2. Executive agents of the state board of education.** -- The state board of~~  
10 ~~education shall appoint a Commissioner of Elementary and Secondary Education who shall be the~~  
11 ~~board's executive agent in matters pertaining to elementary and secondary education and who~~  
12 ~~shall have the duties established in R.I.G.L. 16-60-6. The state board of education shall also~~  
13 ~~appoint a Commissioner of Higher Education who shall be the board's executive agent in matters~~  
14 ~~pertaining to higher education and who shall have the duties established in R.I.G.L. 16-59-6. The~~  
15 ~~Commissioners shall be employees of the board in the unclassified service and shall not be~~  
16 ~~members of the board and shall serve at the pleasure of the board.~~

17 ~~**16-97-3. Executive committee of education.** -- (a) There is established an executive~~  
18 ~~committee of education that shall be composed of the president of the University of Rhode Island,~~  
19 ~~the president of Rhode Island College, the president of Community College of Rhode Island, the~~  
20 ~~commissioner of higher education, and the commissioner of elementary and secondary education.~~  
21 ~~The commissioner of higher education shall serve as the chairperson of the committee.~~

22 ~~(b) The committee shall meet on a regular basis, provided, that they shall meet not less~~  
23 ~~than twelve (12) times per year, and the purpose of the committee shall include, but not be limited~~  
24 ~~to, developing coherent plans for the elimination of unnecessary duplication in public education~~  
25 ~~and addressing the future needs of public education within the state in the most efficient and~~  
26 ~~economical manner possible. All recommendations and information gathered at the meetings of~~  
27 ~~the committee shall be forwarded to the board of education for final action of the board of~~  
28 ~~education.~~

29 ~~(c) Prior to the presentation of any proposal to the board of governors, the committee~~  
30 ~~shall fully examine its impact on public education, including, but not limited to, its impact on~~  
31 ~~educational budgetary requirements, quality of education and elimination of unnecessary~~  
32 ~~duplication. The chairperson of the committee may invite additional participation by faculty and~~  
33 ~~other employees when he or she deems it necessary.~~

34 SECTION 11. This article shall take effect upon passage.



1 (iii) For the fiscal year 2002, one-fourth cent (\$0.0025) shall be available for general  
2 revenue.

3 (iv) For the fiscal year 2003, two and one-fourth cent (\$0.0225) shall be available for  
4 general revenue.

5 (v) For the months of July through April in fiscal year 2004, one and four-tenths cents  
6 (\$0.014) shall be available for general revenue. For the months of May through June in fiscal year  
7 2004, three and two-tenths cents (\$0.032) shall be available for general revenue, and thereafter,  
8 until fiscal year 2006, two cents (\$0.02) shall be available for general revenue. For fiscal year  
9 2006 through fiscal year 2009 one cent (\$0.01) shall be available for general revenue.

10 (2) All deposits and transfers of funds made by the tax administrator under this section,  
11 including those to the Rhode Island public transit authority, the department of human services and  
12 the general fund, shall be made within twenty-four (24) hours of receipt or previous deposit of the  
13 funds in question.

14 (3) Commencing in fiscal year 2004, the Director of the Rhode Island Department of  
15 Transportation is authorized to remit, on a monthly or less frequent basis as shall be determined  
16 by the Director of the Rhode Island Department of Transportation, or his or her designee, or at the  
17 election of the Director of the Rhode Island Department of Transportation, with the approval of  
18 the Director of the Department of Administration, to an indenture trustee, administrator, or other  
19 third party fiduciary, in an amount not to exceed two cents (\$0.02) per gallon of the gas tax  
20 imposed, in order to satisfy debt service payments on aggregate bonds issued pursuant to a Joint  
21 Resolution and Enactment Approving the Financing of Various Department of Transportation  
22 Projects adopted during the 2003 session of the General Assembly, and approved by the  
23 Governor.

24 (b) Notwithstanding any other provision of law to the contrary, all other funds in the fund  
25 shall be dedicated to the department of transportation, subject to annual appropriation by the  
26 general assembly. The director of transportation shall submit to the general assembly, budget  
27 office and office of the governor annually an accounting of all amounts deposited in and credited  
28 to the fund together with a budget for proposed expenditures for the succeeding fiscal year in  
29 compliance with §§ 35-3-1 and 35-3-4. On order of the director of transportation, the state  
30 controller is authorized and directed to draw his or her orders upon the general treasurer for the  
31 payments of any sum or portion of the sum that may be required from time to time upon receipt  
32 of properly authenticated vouchers.

33 (c) At any time the amount of the fund is insufficient to fund the expenditures of the  
34 department of transportation, not to exceed the amount authorized by the general assembly, the

1 general treasurer is authorized, with the approval of the governor and the director of  
2 administration, in anticipation of the receipts of monies enumerated in § 31-36-20 to advance  
3 sums to the fund, for the purposes specified in § 31-36-20, any funds of the state not specifically  
4 held for any particular purpose. However, all the advances made to the fund shall be returned to  
5 the general fund immediately upon the receipt by the fund of proceeds resulting from the receipt  
6 of monies to the extent of the advances.

7 (d) Beginning with the fiscal year 2014 and annually thereafter, the department of  
8 transportation will allocate gas tax revenue made available from the shift of debt service expenses  
9 on general obligation bonds to general revenue to programs that are designed to eliminate  
10 structural deficiencies of the state's bridge, road and maintenance systems and infrastructure.

11 (i) Beginning in the fiscal year 2014 and annually thereafter, the department of  
12 transportation will appropriately fund and invest in highway maintenance operations;

13 (ii) Beginning in the fiscal year 2014 and annually thereafter, the department of  
14 transportation will set aside not less than one million dollars (\$1,000,000) for heavy vehicle  
15 replacement program that will align maintenance fleet needs with best practices for vehicle and  
16 equipment procurement;

17 (iii) Beginning in the fiscal year 2015 and annually thereafter, the department of  
18 transportation will set aside not less than five hundred thousand dollars (\$500,000) for a drainage  
19 system preservation program to implement routine cleaning and preservation of catch basins on a  
20 system-wide basis;

21 (iv) In the fiscal year 2016, the department of transportation will set aside not less than  
22 five million dollars (\$5,000,000) for a preventative maintenance, preservation, and replacement  
23 program to address the condition of all state-maintained bridges;

24 (A) provided that this amount shall increase to fifteen million dollars (\$15,000,000) in the  
25 fiscal year 2017 and further provided that this amount shall increase to twenty million dollars  
26 (\$20,000,000) in the fiscal year 2018 and shall not be reduced in any year thereafter and;

27 (B) provided that the department of transportation utilizes ten million dollars  
28 (\$10,000,000) in the fiscal year 2015 and ten million dollars (\$10,000,000) in the fiscal year 2016  
29 from funds available in the Intermodal Surface Transportation Fund for a preventative  
30 maintenance, preservation and replacement program to address the condition of all state-  
31 maintained bridges.

32 SECTION 2. This article shall take effect upon passage.

33 **ARTICLE 22**

34 **RELATING TO LEGAL NOTICES"**

1 SECTION 1. Title 42 of the General Laws entitled "STATE AFFAIRS AND  
2 GOVERNMENT" is hereby amended by adding thereto the following chapter:

3 CHAPTER 11.4

4 MODERNIZATION OF LEGAL NOTICES AND ADVERTISEMENTS

5 **42-11.4-1. Legislative Findings. – It is hereby found and declared as follows:**

6 (a) Throughout the Rhode Island General Laws, there are over two hundred and fifty  
7 (250) discrete requirements for legal notices or advertisements to be published in newspapers.  
8 While the responsible parties, geographies (e.g., statewide or local), and frequencies of notice  
9 vary widely among these hundreds of different requirements, their common goal is to notify the  
10 public about informational requirements under law and to give the public a meaningful  
11 opportunity to participate in its government. However, modes of communication change over  
12 time, and along with these changes there is an obligation to openness for technological  
13 innovation.

14 (b) The United States Census Bureau reports that computer possession and household  
15 internet usage have consistently risen over time. For example, in 1997, there was a computer in  
16 thirty six and six-tenths percent (36.6%) of U.S. households, with eighteen percent (18%) of U.S.  
17 households reporting internet usage. By 2011, there was a computer in seventy five and six-tenths  
18 percent (75.6%) of U.S. households, with seventy one and seven-tenths percent (71.7%) of U.S.  
19 households reporting internet usage. The Bureau reported similar rates of household internet  
20 connection of Rhode Islanders in 2011 [seventy two and two-tenths percent (72.2%)]. These  
21 increases are inclusive, cutting across age, education attainment, income, and racial and ethnic  
22 boundaries.

23 (c) Using the internet to conduct civic transactions is a common practice according to a  
24 2010 Pew Research Center's Internet & American Life Project survey, which reported that eighty  
25 two percent (82%) of U.S. internet users looked for information or completed a transaction on a  
26 government website in the preceding twelve (12) months. This data is consistent with the  
27 experience in Rhode Island, where executive agencies have rolled out several new initiatives over  
28 the past few years that illustrate this trend: the expansion of online services at the division of  
29 motor vehicles; the introduction of a transparency portal (one of the first in the country) to  
30 provide more information regarding the operation and management of government; the creation  
31 of a new division of veterans' affairs website; and the launch of an e-Licensing initiative by the  
32 department of business regulation, working with the office of digital excellence and the division  
33 of information technology.

34 (d) Further, Rhode Island is particularly well poised to harness the power of

1 communicating digitally because of its depth of digital infrastructure. The New York Times  
2 reported in 2011 that Rhode Island had the fastest internet speed for residential customers in the  
3 country; and "broadband service," which describes high-speed internet, digital cable and digital  
4 phone services traveling through a single pipeline, is available to ninety seven percent (97%) of  
5 Rhode Islanders, with eighty three percent (83%) of Rhode Islanders having the choice of at least  
6 two (2) broadband providers, according to the Broadband Rhode Island initiative.

7 (e) While the use of the internet has grown nationally and in Rhode Island over time, with  
8 investments in expansion of online services and digital infrastructure, readership of daily  
9 newspapers has shown a steady slide in paid circulation. For example, the Pew Research Center's  
10 Project for Excellence in Journalism reported in 2011 that daily newspaper circulation, which  
11 stood at sixty two million three hundred thousand (62,300,000) in 1990, had fallen to forty three  
12 million four hundred thousand (43,400,000) in 2010, a decline of thirty percent (30%). In 1990,  
13 evening papers, which began to decline in the 1970s, made up about a third of daily circulation.  
14 In 2009, this ratio had dropped to just over ten percent (10%).

15 (f) Moreover, a national survey by the Pew Research Center for the People and the Press  
16 in 2010 found that "more people continue to cite the internet than newspapers as their main  
17 source of news, reflecting both the growth of the internet, and the gradual decline in newspaper  
18 readership [from thirty four percent (34%) in 2007 to thirty one percent (31%) now]."

19 (g) Given historical and current trends, offering an electronic means of publishing notices  
20 and advertisements is a common-sense, efficient way to disseminate vital information to the  
21 public for several reasons:

22 (i). Publication of legal notices and advertisements by electronic means is more likely to  
23 reach citizens, providing them with crucial information about information required to be  
24 disclosed under law and a better opportunity to participate in government;

25 (ii). Expanding the amount of information available electronically will allow for new  
26 forms of connection between citizens and government, through e-mail alerts and enhanced search  
27 opportunities; and

28 (iii). Posting legal notices and advertisements electronically may ease the regulatory  
29 burden of compliance for businesses, especially small businesses, and governmental agencies by  
30 offering a cost-effective alternative to newspaper publication that capitalizes on the state's  
31 existing technological assets and investments.

32 **42-11.4-2. Definitions. -- As used within this chapter,**

33 (a) "Department" shall mean the department of administration; and

34 (b) "Person" shall mean any individual, corporation, partnership, association,

1 municipality, other public body, legal entity, employee or agent of the person.

2 **42-11.4-3. Authorized website transitional notice.** -- (a) Notwithstanding any provision  
3 of the general or public laws to the contrary, any notice or other written matter required to be  
4 published by any law of this state in a newspaper shall be deemed to satisfy such requirement if  
5 posted on an "authorized website," as defined in the rules and regulations promulgated in  
6 accordance with §42-11.4-7.

7 (b) Before any person may post a notice or advertisement on an authorized website, such  
8 person must announce its intention to do so in the following ways and for the following periods  
9 of time:

10 (i) By publishing an announcement at least three (3) times a week for three (3)  
11 consecutive weeks in the newspaper or newspapers - where notice or advertisement is currently  
12 required to be published;

13 (ii) By publishing an announcement on the secretary of state's website for at least three  
14 (3) consecutive weeks; and

15 (iii) By publishing an announcement on the Rhode Island transparency portal  
16 (<http://www.transparency.ri.gov/>) for at least three (3) consecutive weeks.

17 **42-11.4-4. Required posting.** -- Posting a notice or advertisement on the secretary of  
18 state's website pursuant to § 42-46-6 shall not be sufficient to meet the requirements for posting  
19 on an authorized website pursuant to § 42-11.4-7.

20 **42-11.4-5. Costs.** -- Any costs associated with posting the notice or advertisement on the  
21 authorized website shall be borne by the party required to post the notice or advertisement as set  
22 forth in the rules and regulations promulgated in accordance with § 42-11.4-7.

23 **42-11.4-6. Burden of proof.** -- In all actions brought under this chapter, the burden shall  
24 be on the party required to provide notice or advertisement to demonstrate notice or  
25 advertisement was sufficient pursuant to the rules and regulations set forth in accordance with §  
26 42-11.4-7.

27 **42-11.4-7. Rules and regulations.** -- (a) No later than one hundred and twenty (120)  
28 days after the passage of this act, the department shall promulgate rules and regulations, after  
29 review and recommendation by the office of digital excellence, to implement the provisions of  
30 this chapter.

31 (b) Such rules and regulations shall include:

32 (i) a mechanism by which the authorized website can send a subscribing person e-mail  
33 alerts (as specified by such subscribing person), including a choice of how often to receive such  
34 alerts and the option to terminate such alerts;

1 (ii) the ability to search the authorized website by statutory cite, keyword, or date of  
2 posting; and

3 (iii) the particular specifications, if any, required for mobile electronic devices to access  
4 the authorized website and utilize its functionalities.

5 **42-11.4-8. Penalties. -- Any person aggrieved as a result of violations of the provisions**  
6 **of this chapter may file a complaint with the department of attorney general. The attorney general**  
7 **shall investigate the complaint and, if the department of attorney general determines that the**  
8 **allegations of the complaint are meritorious, such person may file a complaint on behalf of the**  
9 **complainant in the superior court against the entities alleged to have violated the requirements of**  
10 **this chapter.**

11 SECTION 2. This article shall take effect upon passage.

## 12 ARTICLE 23

### 13 RELATING TO LICENSING OF HOSPITAL FACILITIES

14 SECTION 1. Section 23-17-38.1 of the General Laws in Chapter 23-17 entitled  
15 "Licensing of Health Care Facilities" is hereby amended to read as follows:

16 **23-17-38.1. Hospitals – Licensing fee. -- (a) There is imposed a hospital licensing fee at**  
17 **the rate of five and thirty five hundredths percent (5.35%) upon the net patient services revenue**  
18 **of every hospital for the hospital's first fiscal year ending on or after January 1, 2011, except that**  
19 **the license fee for all hospitals located in Washington County, Rhode Island shall be discounted**  
20 **by thirty seven percent (37%). The discount for Washington County hospitals is subject to**  
21 **approval by the Secretary of the US Department of Health and Human Services of a state plan**  
22 **amendment submitted by the Executive Office of Health and Human Services for the purpose of**  
23 **pursuing a waiver of the uniformity requirement for the hospital license fee. This licensing fee**  
24 **shall be administered and collected by the tax administrator, division of taxation within the**  
25 **department of revenue, and all the administration, collection and other provisions of 51 of title 44**  
26 **shall apply. Every hospital shall pay the licensing fee to the tax administrator on or before July**  
27 **15, 2013 and payments shall be made by electronic transfer of monies to the general treasurer and**  
28 **deposited to the general fund. Every hospital shall, on or before June 17, 2013, make a return to**  
29 **the tax administrator containing the correct computation of net patient services revenue for the**  
30 **hospital fiscal year ending September 30, 2011, and the licensing fee due upon that amount. All**  
31 **returns shall be signed by the hospital's authorized representative, subject to the pains and**  
32 **penalties of perjury.**

33 **(b)(a)** There is also imposed a hospital licensing fee at the rate of five and two hundred  
34 forty-six thousandths percent (5.246%) upon the net patient services revenue of every hospital for

1 the hospital's first fiscal year ending on or after January 1, 2012, except that the license fee for all  
2 hospitals located in Washington County, Rhode Island shall be discounted by thirty-seven percent  
3 (37%). The discount for Washington County hospitals is subject to approval by the Secretary of  
4 the US Department of Health and Human Services of a state plan amendment submitted by the  
5 Executive Office of Health and Human Services for the purpose of pursuing a waiver of the  
6 uniformity requirement for the hospital license fee. This licensing fee shall be administered and  
7 collected by the tax administrator, division of taxation within the department of revenue, and all  
8 the administration, collection and other provisions of 51 of title 44 shall apply. Every hospital  
9 shall pay the licensing fee to the tax administrator on or before July 14, 2014 and payments shall  
10 be made by electronic transfer of monies to the general treasurer and deposited to the general  
11 fund. Every hospital shall, on or before June 16, 2014, make a return to the tax administrator  
12 containing the correct computation of net patient services revenue for the hospital fiscal year  
13 ending September 30, 2012, and the licensing fee due upon that amount. All returns shall be  
14 signed by the hospital's authorized representative, subject to the pains and penalties of perjury.

15 (b) There is also imposed a hospital licensing fee at the rate of five and two hundred  
16 forty-six thousandths percent (5.246%) upon the net patient services revenue of every hospital for  
17 the hospital's first fiscal year ending on or after January 1, 2012, except that the license fee for all  
18 hospitals located in Washington County, Rhode Island shall be discounted by thirty-seven percent  
19 (37%). The discount for Washington County hospitals is subject to approval by the Secretary of  
20 the US Department of Health and Human Services of a state plan amendment submitted by the  
21 Executive Office of Health and Human Services for the purpose of pursuing a waiver of the  
22 uniformity requirement for the hospital license fee. This licensing fee shall be administered and  
23 collected by the tax administrator, division of taxation within the department of revenue, and all  
24 the administration, collection and other provisions of 51 of title 44 shall apply. Every hospital  
25 shall pay the licensing fee to the tax administrator on or before July 13, 2015 and payments shall  
26 be made by electronic transfer of monies to the general treasurer and deposited to the general  
27 fund. Every hospital shall, on or before June 15, 2015, make a return to the tax administrator  
28 containing the correct computation of net patient services revenue for the hospital fiscal year  
29 ending September 30, 2012, and the licensing fee due upon that amount. All returns shall be  
30 signed by the hospital's authorized representative, subject to the pains and penalties of perjury.

31 (c) For purposes of this section the following words and phrases have the following  
32 meanings:

33 (1) "Hospital" means a person or governmental unit duly licensed in accordance with this  
34 chapter to establish, maintain, and operate a hospital, except a hospital whose primary service and

1 primary bed inventory are psychiatric.

2 (2) "Gross patient services revenue" means the gross revenue related to patient care  
3 services.

4 (3) "Net patient services revenue" means the charges related to patient care services less  
5 (i) charges attributable to charity care, (ii) bad debt expenses, and (iii) contractual allowances.

6 (d) The tax administrator shall make and promulgate any rules, regulations, and  
7 procedures not inconsistent with state law and fiscal procedures that he or she deems necessary  
8 for the proper administration of this section and to carry out the provisions, policy and purposes  
9 of this section.

10 (e) The licensing fee imposed by this section shall apply to hospitals as defined herein  
11 which are duly licensed on July 1, 2013 [2014](#), and shall be in addition to the inspection fee  
12 imposed by § 23-17-38 and to any licensing fees previously imposed in accordance with § 23-17-  
13 38.1.

14 SECTION 2. This article shall take effect as of July 1, 2014.

## 15 ARTICLE 24

### 16 RELATING TO HOSPITAL UNCOMPENSATED CARE

17 SECTION 1. Sections 40-8.3-2 and 40-8.3-3 of the General Laws in Chapter 40-8.3  
18 entitled "Uncompensated Care" are hereby amended to read as follows:

19 **40-8.3-2. Definitions.** -- As used in this chapter:

20 (1) "Base year" means for the purpose of calculating a disproportionate share payment for  
21 any fiscal year ending after September 30, ~~2012~~ [2013](#), the period from October 1, ~~2010~~ [2011](#)  
22 through September 30, ~~2011~~ [2012](#), and for any fiscal year ending after September 30, ~~2013~~ [2014](#),  
23 the period from October 1, 2011 through September 30, 2012.

24 (2) "Medical assistance inpatient utilization rate for a hospital" means a fraction  
25 (expressed as a percentage) the numerator of which is the hospital's number of inpatient days  
26 during the base year attributable to patients who were eligible for medical assistance during the  
27 base year and the denominator of which is the total number of the hospital's inpatient days in the  
28 base year.

29 (3) "Participating hospital" means any nongovernment and nonpsychiatric hospital that:  
30 (i) was licensed as a hospital in accordance with chapter 17 of title 23 during the base year; (ii)  
31 achieved a medical assistance inpatient utilization rate of at least one percent (1%) during the  
32 base year; and (iii) continues to be licensed as a hospital in accordance with chapter 17 of title 23  
33 during the payment year.

34 (4) "Uncompensated care costs" means, as to any hospital, the sum of: (i) the cost

1 incurred by such hospital during the base year for inpatient or outpatient services attributable to  
2 charity care (free care and bad debts) for which the patient has no health insurance or other third-  
3 party coverage less payments, if any, received directly from such patients; and (ii) the cost  
4 incurred by such hospital during the base year for inpatient or out-patient services attributable to  
5 Medicaid beneficiaries less any Medicaid reimbursement received therefor; multiplied by the  
6 uncompensated care index.

7 (5) "Uncompensated care index" means the annual percentage increase for hospitals  
8 established pursuant to § 27-19-14 for each year after the base year, up to and including the  
9 payment year, provided, however, that the uncompensated care index for the payment year ending  
10 September 30, 2007 shall be deemed to be five and thirty-eight hundredths percent (5.38%), and  
11 that the uncompensated care index for the payment year ending September 30, 2008 shall be  
12 deemed to be five and forty-seven hundredths percent (5.47%), and that the uncompensated care  
13 index for the payment year ending September 30, 2009 shall be deemed to be five and thirty-eight  
14 hundredths percent (5.38%), and that the uncompensated care index for the payment years ending  
15 September 30, 2010, September 30, 2011, September 30, 2012, September 30, 2013 ~~and,~~  
16 September 30, 2014 [and September 30, 2015](#) shall be deemed to be five and thirty hundredths  
17 percent (5.30%).

18 **40-8.3-3. Implementation.** ~~-- (a) For the fiscal year commencing on October 1, 2011 and~~  
19 ~~ending September 30, 2012, the executive office of health and human services shall submit to the~~  
20 ~~Secretary of the U.S. Department of Health and Human Services a state plan amendment to the~~  
21 ~~Rhode Island Medicaid state plan for disproportionate share hospital payments (DSH Plan) to~~  
22 ~~provide:~~

23 ~~(1) That the disproportionate share hospital payments to all participating hospitals, not to~~  
24 ~~exceed an aggregate limit of \$126.2 million, shall be allocated by the executive office of health~~  
25 ~~and human services to the Pool A, Pool C and Pool D components of the DSH Plan; and,~~

26 ~~(2) That the Pool D allotment shall be distributed among the participating hospitals in~~  
27 ~~direct proportion to the individual participating hospital's uncompensated care costs for the base~~  
28 ~~year, inflated by the uncompensated care index to the total uncompensated care costs for the base~~  
29 ~~year inflated by uncompensated care index for all participating hospitals. The disproportionate~~  
30 ~~share payments shall be made on or before July 16, 2012 and are expressly conditioned upon~~  
31 ~~approval on or before July 9, 2012 by the Secretary of the U.S. Department of Health and Human~~  
32 ~~Services, or his or her authorized representative, of all Medicaid state plan amendments necessary~~  
33 ~~to secure for the state the benefit of federal financial participation in federal fiscal year 2012 for~~  
34 ~~the disproportionate share payments.~~

1           ~~(a)~~ (a) For federal fiscal year 2013, commencing on October 1, 2012 and ending  
2 September 30, 2013, the executive office of health and human services shall submit to the  
3 Secretary of the U.S. Department of Health and Human Services a state plan amendment to the  
4 Rhode Island Medicaid state plan for disproportionate share hospital payments (DSH Plan) to  
5 provide:

6           (1) That the disproportionate share hospital payments to all participating hospitals, not to  
7 exceed an aggregate limit of \$128.3 million, shall be allocated by the executive office of health  
8 and human services to the Pool A, Pool C and Pool D components of the DSH Plan; and,

9           (2) That the Pool D allotment shall be distributed among the participating hospitals in  
10 direct proportion to the individual participating hospital's uncompensated care costs for the base  
11 year, inflated by the uncompensated care index to the total uncompensated care costs for the base  
12 year inflated by uncompensated care index for all participating hospitals. The disproportionate  
13 share payments shall be made on or before July 15, 2013 and are expressly conditioned upon  
14 approval on or before July 8, 2013 by the Secretary of the U.S. Department of Health and Human  
15 Services, or his or her authorized representative, of all Medicaid state plan amendments necessary  
16 to secure for the state the benefit of federal financial participation in federal fiscal year 2013 for  
17 the disproportionate share payments.

18           ~~(a)~~ (b) For federal fiscal year 2014, commencing on October 1, 2013 and ending  
19 September 30, 2014, the executive office of health and human services shall submit to the  
20 Secretary of the U.S. Department of Health and Human Services a state plan amendment to the  
21 Rhode Island Medicaid state plan for disproportionate share hospital payments (DSH Plan) to  
22 provide:

23           (1) That the disproportionate share hospital payments to all participating hospitals, not to  
24 exceed an aggregate limit of \$128.3 million, shall be allocated by the executive office of health  
25 and human services to the Pool A, Pool C and Pool D components of the DSH Plan; and,

26           (2) That the Pool D allotment shall be distributed among the participating hospitals in  
27 direct proportion to the individual participating hospital's uncompensated care costs for the base  
28 year, inflated by the uncompensated care index to the total uncompensated care costs for the base  
29 year inflated by uncompensated care index for all participating hospitals. The disproportionate  
30 share payments shall be made on or before July 14, 2014 and are expressly conditioned upon  
31 approval on or before July 7, 2014 by the Secretary of the U.S. Department of Health and Human  
32 Services, or his or her authorized representative, of all Medicaid state plan amendments necessary  
33 to secure for the state the benefit of federal financial participation in federal fiscal year 2014 for  
34 the disproportionate share payments.

1 (c) For federal fiscal year 2015, commencing on October 1, 2014 and ending September  
2 30, 2015, the executive office of health and human services shall submit to the Secretary of the  
3 U.S. Department of Health and Human Services a state plan amendment to the Rhode Island  
4 Medicaid state plan for disproportionate share hospital payments (DSH Plan) to provide:

5 (1) That the disproportionate share hospital payments to all participating hospitals, not to  
6 exceed an aggregate limit of \$128.3 million, shall be allocated by the executive office of health  
7 and human services to the Pool A, Pool C and Pool D components of the DSH Plan; and,

8 (2) That the Pool D allotment shall be distributed among the participating hospitals in  
9 direct proportion to the individual participating hospital's uncompensated care costs for the base  
10 year, inflated by the uncompensated care index to the total uncompensated care costs for the base  
11 year inflated by uncompensated care index for all participating hospitals. The disproportionate  
12 share payments shall be made on or before July 13, 2015 and are expressly conditioned upon  
13 approval on or before July 6, 2015 by the Secretary of the U.S. Department of Health and Human  
14 Services, or his or her authorized representative, of all Medicaid state plan amendments necessary  
15 to secure for the state the benefit of federal financial participation in federal fiscal year 2015 for  
16 the disproportionate share payments.

17 (d) No provision is made pursuant to this chapter for disproportionate share hospital  
18 payments to participating hospitals for uncompensated care costs related to graduate medical  
19 education programs.

20 SECTION 2. Section 40-8.3-10 of the General Laws in Chapter 40-8.3 entitled  
21 "Uncompensated Care" is hereby repealed.

22 ~~40-8.3-10. Outpatient adjustment payments. --- Effective July 1, 2012 and for each~~  
23 ~~subsequent year, the executive office of health and human services is hereby authorized and~~  
24 ~~directed to amend its regulations for reimbursement to hospitals for outpatient services as~~  
25 ~~follows:~~

26 ~~(a) Each hospital in the state of Rhode Island, as defined in subdivision 23-17-~~  
27 ~~38.19(b)(1), shall receive a quarterly adjustment payment each state fiscal year of an amount~~  
28 ~~determined as follows:~~

29 ~~(1) Determine the percent of the state's total Medicaid outpatient and emergency~~  
30 ~~department services (exclusive of physician services) provided by each hospital during each~~  
31 ~~hospital's prior fiscal year;~~

32 ~~(2) Determine the sum of all Medicaid payments to hospitals made for outpatient and~~  
33 ~~emergency department services (exclusive of physician services) provided during each hospital's~~  
34 ~~prior fiscal year;~~

1 ~~(3) Multiply the sum of all Medicaid payments as determined in subdivision (2) by~~  
2 ~~seventy four and ninety seven hundredths percent (74.97%) and then multiply that result by each~~  
3 ~~hospital's percentage of the state's total Medicaid outpatient and emergency department services~~  
4 ~~as determined in subdivision (1) to obtain the total outpatient adjustment for each hospital to be~~  
5 ~~paid each year;~~

6 ~~(4) Pay each hospital on or before July 20, October 20, January 20, and April 20 one~~  
7 ~~quarter (1/4) of its total outpatient adjustment as determined in subdivision (3) above.~~

8 ~~(b) The amounts determined in subsection (a) are in addition to Medicaid outpatient~~  
9 ~~payments and emergency services payments (exclusive of physician services) paid to hospitals in~~  
10 ~~accordance with current state regulation and the Rhode Island Plan for Medicaid Assistance~~  
11 ~~pursuant to Title XIX of the Social Security Act and are not subject to recoupment or settlement.~~

12 SECTION 3. This article shall take effect as of July 1, 2014.

### 13 ARTICLE 25

#### 14 RELATING TO MEDICAL ASSISTANCE

15 SECTION 1. Section 40-5.2-21 of the General Laws in Chapter 40-5.2 entitled "The  
16 Rhode Island Works Program" is hereby amended to read as follows:

17 **40-5.2-21. Eligibility for medical benefits.** -- (a) Every member of any family/assistance  
18 unit eligible for cash assistance under this chapter shall be eligible for ~~medical assistance~~  
19 Medicaid-funded health coverage through ~~the~~ RItE Care managed care or a RItE Share ~~programs;~~  
20 ~~as determined by the department, approved plan~~ subject to the provisions of subsection 40-8-1(~~d~~)  
21 (c) and provided, further, requiring that ~~eligibility for~~ such ~~medical assistance, coverage~~ must  
22 qualify for federal financial participation pursuant to the provisions of Title XIX of the federal  
23 social security act, 42 U.S.C. § 1396 et seq. and, as may be appropriate, the State's approved  
24 Section 1115 demonstration waiver.

25 (b) If a family becomes ineligible for cash assistance payments under this chapter as a  
26 result of excess earnings from employment, the family/assistance unit shall continue to be eligible  
27 for ~~medical assistance~~ Medicaid-funded transitional health coverage under Section 1925 of title  
28 XIX of the federal social security act, 42 U.S.C. § 1396 et seq. through ~~the~~ RItE Care or RItE  
29 Share, ~~program for~~ subject to the provisions of subsection 40-8-1(c) requiring that such coverage  
30 must qualify for federal financial participation pursuant to the provisions of title XIX of the  
31 federal social security act, 42 U.S.C. § 1396 et seq. and, in no case, shall extend beyond a period  
32 of twelve (12) months or until employer paid family health care coverage begins, ~~subject to the~~  
33 ~~provisions of subsection 40-8-1(d), whichever occurs first; and provided, further, that eligibility~~  
34 ~~for such medical assistance, must qualify for federal financial participation pursuant to the~~

1 ~~provisions of title XIX of the federal social security Act, 42 U.S.C. § 1396 et seq.~~

2 SECTION 2. Sections 40-8-13.4 and 40-8-19 of the General Laws in Chapter 40-8  
3 entitled "Medical Assistance" are hereby amended to read as follows:

4 **40-8-13.4. Rate methodology for payment for in state and out of state hospital**  
5 **services.** -- (a) The executive office of health and human services shall implement a new  
6 methodology for payment for in state and out of state hospital services in order to ensure access  
7 to and the provision of high quality and cost-effective hospital care to its eligible recipients.

8 (b) In order to improve efficiency and cost effectiveness, the executive office of health  
9 and human services shall:

10 (1) With respect to inpatient services for persons in fee for service Medicaid, which is  
11 non-managed care, implement a new payment methodology for inpatient services utilizing the  
12 Diagnosis Related Groups (DRG) method of payment, which is, a patient classification method  
13 which provides a means of relating payment to the hospitals to the type of patients cared for by  
14 the hospitals. It is understood that a payment method based on Diagnosis Related Groups may  
15 include cost outlier payments and other specific exceptions. The executive office will review the  
16 DRG payment method and the DRG base price annually, making adjustments as appropriate in  
17 consideration of such elements as trends in hospital input costs, patterns in hospital coding,  
18 beneficiary access to care, and the Center for Medicare and Medicaid Services national CMS  
19 Prospective Payment System (IPPS) Hospital Input Price index.

20 (B) With respect to inpatient services, (i) it is required as of January 1, 2011 until  
21 December 31, 2011, that the Medicaid managed care payment rates between each hospital and  
22 health plan shall not exceed ninety and one tenth percent (90.1%) of the rate in effect as of June  
23 30, 2010. Negotiated increases in inpatient hospital payments for each annual twelve (12) month  
24 period beginning January 1, 2012 may not exceed the Centers for Medicare and Medicaid  
25 Services national CMS Prospective Payment System (IPPS) Hospital Input Price index for the  
26 applicable period; (ii) provided, however, for the ~~twelve (12)~~ twenty-four (24) month period  
27 beginning July 1, 2013 the Medicaid managed care payment rates between each hospital and  
28 health plan shall not exceed the payment rates in effect as of January 1, 2013; (iii) negotiated  
29 increases in inpatient hospital payments for each annual twelve (12) month period beginning July  
30 1, ~~2014~~ 2015 may not exceed the Centers for Medicare and Medicaid Services national CMS  
31 Prospective Payment System (IPPS) Hospital Input Price Index, less Productivity Adjustment, for  
32 the applicable period; (iv) The Rhode Island executive office of health and human services will  
33 develop an audit methodology and process to assure that savings associated with the payment  
34 reductions will accrue directly to the Rhode Island Medicaid program through reduced managed

1 care plan payments and shall not be retained by the managed care plans; (v) All hospitals licensed  
2 in Rhode Island shall accept such payment rates as payment in full; and (vi) for all such hospitals,  
3 compliance with the provisions of this section shall be a condition of participation in the Rhode  
4 Island Medicaid program.

5 (2) With respect to outpatient services and notwithstanding any provisions of the law to  
6 the contrary, for persons enrolled in fee for service Medicaid, the executive office will reimburse  
7 hospitals for outpatient services using a rate methodology determined by the executive office and  
8 in accordance with federal regulations. Fee-for-service outpatient rates shall align with Medicare  
9 payments for similar services. Notwithstanding the above, there shall be no increase in the  
10 Medicaid fee-for-service outpatient rates effective on July 1, 2013 or July 1, 2014. Thereafter,  
11 changes to outpatient rates will be implemented on July 1 each year and shall align with Medicare  
12 payments for similar services from the prior federal fiscal year. With respect to the outpatient  
13 rate, (i) it is required as of January 1, 2011 until December 31, 2011, that the Medicaid managed  
14 care payment rates between each hospital and health plan shall not exceed one hundred percent  
15 (100%) of the rate in effect as of June 30, 2010. Negotiated increases in hospital outpatient  
16 payments for each annual twelve (12) month period beginning January 1, 2012 may not exceed  
17 the Centers for Medicare and Medicaid Services national CMS Outpatient Prospective Payment  
18 System (OPPS) hospital price index for the applicable period; (ii) provided, however, for the  
19 ~~twelve (12)~~ twenty-four (24) month period beginning July 1, 2013 the Medicaid managed care  
20 outpatient payment rates between each hospital and health plan shall not exceed the payment rates  
21 in effect as of January 1, 2013; (iii) negotiated increases in outpatient hospital payments for each  
22 annual twelve (12) month period beginning July 1, ~~2014~~ 2015 may not exceed the Centers for  
23 Medicare and Medicaid Services national CMS Outpatient Prospective Payment System (OPPS)  
24 Hospital Input Price Index, less Productivity Adjustment, for the applicable period.

25 (c) It is intended that payment utilizing the Diagnosis Related Groups method shall  
26 reward hospitals for providing the most efficient care, and provide the executive office the  
27 opportunity to conduct value based purchasing of inpatient care.

28 (d) The secretary of the executive office of health and human services is hereby  
29 authorized to promulgate such rules and regulations consistent with this chapter, and to establish  
30 fiscal procedures he or she deems necessary for the proper implementation and administration of  
31 this chapter in order to provide payment to hospitals using the Diagnosis Related Group payment  
32 methodology. Furthermore, amendment of the Rhode Island state plan for medical assistance  
33 (Medicaid) pursuant to Title XIX of the federal Social Security Act is hereby authorized to  
34 provide for payment to hospitals for services provided to eligible recipients in accordance with

1 this chapter.

2 (e) The executive office shall comply with all public notice requirements necessary to  
3 implement these rate changes.

4 (f) As a condition of participation in the DRG methodology for payment of hospital  
5 services, every hospital shall submit year-end settlement reports to the executive office within one  
6 year from the close of a hospital's fiscal year. Should a participating hospital fail to timely submit  
7 a year-end settlement report as required by this section, the executive office shall withhold  
8 financial cycle payments due by any state agency with respect to this hospital by not more than  
9 ten percent (10%) until said report is submitted. For hospital fiscal year 2010 and all subsequent  
10 fiscal years, hospitals will not be required to submit year-end settlement reports on payments for  
11 outpatient services. For hospital fiscal year 2011 and all subsequent fiscal years, hospitals will not  
12 be required to submit year-end settlement reports on claims for hospital inpatient services.  
13 Further, for hospital fiscal year 2010, hospital inpatient claims subject to settlement shall include  
14 only those claims received between October 1, 2009 and June 30, 2010.

15 (g) The provisions of this section shall be effective upon implementation of the  
16 amendments and new payment methodology pursuant to this section and § 40-8-13.3, which shall  
17 in any event be no later than March 30, 2010, at which time the provisions of §§ 40-8-13.2, 27-  
18 19-14, 27-19-15, and 27-19-16 shall be repealed in their entirety.

19 **40-8-19. Rates of payment to nursing facilities.** -- (a) Rate reform. (1) The rates to be  
20 paid by the state to nursing facilities licensed pursuant to chapter 17 of title 23, and certified to  
21 participate in the Title XIX Medicaid program for services rendered to Medicaid-eligible  
22 residents, shall be reasonable and adequate to meet the costs which must be incurred by  
23 efficiently and economically operated facilities in accordance with 42 U.S.C. § 1396a(a)(13). The  
24 executive office of health and human services shall promulgate or modify the principles of  
25 reimbursement for nursing facilities in effect as of July 1, 2011 to be consistent with the  
26 provisions of this section and Title XIX, 42 U.S.C. § 1396 et seq., of the Social Security Act.

27 (2) The executive office of health and human services ("Executive Office") shall review  
28 the current methodology for providing Medicaid payments to nursing facilities, including other  
29 long-term care services providers, and is authorized to modify the principles of reimbursement to  
30 replace the current cost based methodology rates with rates based on a price based methodology  
31 to be paid to all facilities with recognition of the acuity of patients and the relative Medicaid  
32 occupancy, and to include the following elements to be developed by the executive office:

33 (i) A direct care rate adjusted for resident acuity;

34 (ii) An indirect care rate comprised of a base per diem for all facilities;

1 (iii) A rearray of costs for all facilities every three (3) years beginning October, 2015,  
2 which may or may not result in automatic per diem revisions;

3 (iv) Application of a fair rental value system;

4 (v) Application of a pass-through system; and

5 (vi) Adjustment of rates by the change in a recognized national nursing home inflation  
6 index to be applied on October 1st of each year, beginning October 1, 2012. This adjustment will  
7 not occur on October 1, 2013 or on October 1, 2014, but will resume on October 1, ~~2014~~ 2015.  
8 Said inflation index shall be applied without regard for the transition factor in subsection (b)(2)  
9 below.

10 (b) *Transition to full implementation of rate reform.* For no less than four (4) years after  
11 the initial application of the price-based methodology described in subdivision (a) (2) to payment  
12 rates, the executive office of health and human services shall implement a transition plan to  
13 moderate the impact of the rate reform on individual nursing facilities. Said transition shall  
14 include the following components:

15 (1) No nursing facility shall receive reimbursement for direct care costs that is less than  
16 the rate of reimbursement for direct care costs received under the methodology in effect at the  
17 time of passage of this act; and

18 (2) No facility shall lose or gain more than five dollars (\$5.00) in its total per diem rate  
19 the first year of the transition. The adjustment to the per diem loss or gain may be phased out by  
20 twenty-five percent (25%) each year; and

21 (3) The transition plan and/or period may be modified upon full implementation of  
22 facility per diem rate increases for quality of care related measures. Said modifications shall be  
23 submitted in a report to the general assembly at least six (6) months prior to implementation.

24 SECTION 3. The Rhode Island Medicaid Reform Act of 2008.

25 WHEREAS, the General Assembly enacted Chapter 12.4 of Title 42 entitled "The Rhode  
26 Island Medicaid Reform Act of 2008"; and

27 WHEREAS, a Joint Resolution is required pursuant to Rhode Island General Laws § 42-  
28 12.4-1, et seq.; and

29 WHEREAS, Rhode Island General Law § 42-12.4-7 provides that any change that  
30 requires the implementation of a rule or regulation or modification of a rule or regulation in  
31 existence prior to the implementation of the global consumer choice section 1115 demonstration  
32 ("the demonstration") shall require prior approval of the general assembly; and further provides  
33 that any category II change or category III change as defined in the demonstration shall also  
34 require prior approval by the general assembly; and

1           WHEREAS, Rhode Island General Law § 42-7.2-5 provides that the Secretary of the  
2 Office of Health and Human Services is responsible for the "review and coordination of any  
3 Global Consumer Choice Compact Waiver requests and renewals as well as any initiatives and  
4 proposals requiring amendments to the Medicaid state plan or category II or III changes as  
5 described in the demonstration, with "the potential to affect the scope, amount, or duration of  
6 publicly-funded health care services, provider payments or reimbursements, or access to or the  
7 availability of benefits and services provided by Rhode Island general and public laws"; and

8           WHEREAS, in pursuit of a more cost-effective consumer choice system of care that is  
9 fiscally sound and sustainable, the Secretary requests general assembly approval of the following  
10 proposals to amend the demonstration:

11           (a) *Nursing Facility Payment Rates – Eliminate Rate Increase.* The Medicaid single state  
12 agency proposes to eliminate the projected nursing facility rate increase that would otherwise take  
13 effect during the state fiscal year 2015. A category II change is required to implement this  
14 proposal under the terms and conditions of the demonstration. Further, this change may also  
15 require the adoption of new or amended rules, regulations and procedures.

16           (b) *Medicaid Hospital Payments – Eliminate Rate Increases for Hospital Inpatient and*  
17 *Outpatient Payments.* The Medicaid single state agency proposes to reduce inpatient and  
18 outpatient hospital payments by eliminating the projected rate increase for both managed care and  
19 fee-for-service for state fiscal year 2015. Also, the Medicaid single state agency proposes to  
20 eliminate the upper payment limit payment for outpatient services for this same period. A  
21 category II change is required to implement both aspects of this proposal under the terms and  
22 conditions of the Section 1115 waiver demonstration.

23           (c) *Medicaid Manage Care Payments- Reduction.* The Medicaid agency seeks to reduce  
24 the projected growth in capitation payments to managed care organizations for SFY 2015.  
25 Implementation of this reduction requires a Category II change under the terms and conditions of  
26 the Medicaid demonstration to assure payment rates remain actuarially sound as is required by  
27 federal laws and regulation.

28           (d) *High Cost Care Review and Interventions – Lower Utilization and Cost.* By  
29 implementing an array of interventions providing intensive services and case management for  
30 Medicaid beneficiaries with chronic and disabling conditions and special health care needs, the  
31 Medicaid Agency proposes to reduce utilization of high cost services by certain children enrolled  
32 in RItE Care, children with special health care needs, and elders and adults with disabilities.  
33 Implementation of these interventions may require category II changes to the demonstration as  
34 well as adoption or amendment of rules, regulations and procedures.

1           (e) *Community First Choice (1915k) Option – Increase Federal Reimbursement for*  
2 *Home and Community-Based Alternatives.* The Medicaid Agency proposed to pursue the  
3 Community First Choice (CFC) Medicaid State Plan option as part of ongoing reforms to  
4 promote home and community-based alternatives to institutionally-based long-term services and  
5 supports. Implementation of the CFC option requires approval of a Medicaid State Plan  
6 Amendments and may require changes to the demonstration. New and amended rules, regulations  
7 and procedures may also be necessary related to these program changes.

8           (f) *Qualified Health Plan (QHP) Coverage for Medicaid-eligible Pregnant and Post-*  
9 *Partum Women – Promote QHP Coverage.* With the implementation of health care reform in  
10 Rhode Island, many pregnant women with income from 133 to 250 percent of the federal poverty  
11 level (FPL) will have access to coverage through a commercial plan. This initiative proposes to  
12 support enrollment/retention of coverage in these commercial plans by providing: 1) a RIte  
13 Share-like premium subsidy to assist in paying for the out-of-pocket costs in a commercial plan;  
14 and 2) wraparound coverage for services available if covered through Medicaid. Such an  
15 arrangement would result in a net savings to the Medicaid program. Implementation of this  
16 initiative requires Section 1115 waiver authority and may necessitate changes to EOHHS' rules,  
17 regulations and procedures.

18           (g) *Extended Family Planning Services – Enhanced federal funds.* The Medicaid agency  
19 sought Section 1115 demonstration waiver authority for any services and supports that are  
20 administered under current Rhode Island general laws to maximize Medicaid federal matching  
21 funds. This authority would provide enhanced Medicaid matching funds for family planning for  
22 uninsured and underinsured people with income up to 250 percent of the federal poverty level.  
23 The adoption of new or amended rules and regulations may also be required.

24           (h) *Katie Beckett Eligibility Coverage – Cost Contribution.* Under current Medicaid rules  
25 and regulations, Medicaid beneficiaries receiving long-term services and supports are required to  
26 contribute to the cost of care based on income to the extent feasible. The Katie Beckett State Plan  
27 Option allows children who need an institutional level of care to obtain Medicaid coverage for the  
28 care they receive at home. Children eligible under this option typically have family income and  
29 resources that exceed Medicaid eligibility limits; though the Katie Beckett option enables these  
30 children to obtain Medicaid coverage by excluding their parents' family income and resources  
31 when determining Medicaid eligibility. At present, the families of Katie Beckett children are not  
32 required to contribute to the cost of Medicaid-funded care, irrespective of income. The Medicaid  
33 agency proposes to implement an income-based, cost-sharing requirement for families with a  
34 Katie Beckett eligible child. Implementation of this requirement requires a Category II change to

1 the Section 1115 waiver and new and amended rules, regulations and procedures.

2 (i) *Approved Authorities: Section 1115 Waiver Demonstration Extension.* The Medicaid  
3 agency proposes to implement authorities approved under the Section 1115 waiver demonstration  
4 extension request – formerly known as the Global Consumer Choice Waiver – that (1) continue  
5 efforts to re-balance the system of long term services and supports by assisting people in  
6 obtaining care in the most appropriate and least restrictive setting; (2) pursue utilization of care  
7 management models that offer a "health home", promote access to preventive care, and provide  
8 an integrated system of services; (3) use payments and purchasing to finance and support  
9 Medicaid initiatives that fill gaps in the integrated system of care; and (4) recognize and assure  
10 access to the non-medical services and supports, such as peer navigation and employment and  
11 housing stabilization services, that are essential for optimizing a person's health, wellness and  
12 safety and reduce or delay the need for long term services and supports.

13 (j) *Medicaid Requirements and Opportunities under the U.S. Patient Protection and*  
14 *Affordable Care Act of 2010 (PPACA).* The Medicaid agency proposes to pursue any  
15 requirements and/or opportunities established under the PPACA that may warrant a Medicaid  
16 State Plan Amendment, category II or III change under the terms and conditions of Rhode  
17 Island's Section 1115 Waiver, its successor, or any extension thereof. Any such actions the  
18 Medicaid agency takes shall not have an adverse impact on beneficiaries or cause there to be an  
19 increase in expenditures beyond the amount appropriated for state fiscal year 2014; now,  
20 therefore, be it

21 RESOLVED, that the general assembly hereby approves proposals (a) through (j) listed  
22 above to amend the Section 1115 demonstration waiver; and be it further

23 RESOLVED, that the secretary of the office of health and human services is authorized  
24 to pursue and implement any waiver amendments, category II or category III changes, state plan  
25 amendments and/or changes to the applicable department's rules, regulations and procedures  
26 approved herein and as authorized by § 42-12.4-7.

27 SECTION 4. This article shall take effect upon passage.

28 **ARTICLE 26**

29 **RELATING TO CHILDREN, YOUTH, AND FAMILIES**

30 SECTION 1. Section 42-72-5 of the General Laws in Chapter 42-72 entitled "Department  
31 of Children, Youth, and Families" is hereby amended to read as follows:

32 **42-72-5. Powers and scope of activities.** -- (a) The department is the principal agency of  
33 the state to mobilize the human, physical and financial resources available to plan, develop, and  
34 evaluate a comprehensive and integrated statewide program of services designed to ensure the

1 opportunity for children to reach their full potential. The services include prevention, early  
2 intervention, out-reach, placement, care and treatment, and after-care programs; provided,  
3 however, that the department notifies the state police and cooperates with local police  
4 departments when it receives and/or investigates a complaint of sexual assault on a minor and  
5 concludes that probable cause exists to support the allegation(s). The department also serves as  
6 an advocate for the needs of children.

7 (b) To accomplish the purposes and duties, as set forth in this chapter, the director is  
8 authorized and empowered:

9 (1) To establish those administrative and operational divisions of the department that the  
10 director determines is in the best interests of fulfilling the purposes and duties of this chapter;

11 (2) To assign different tasks to staff members that the director determines best suit the  
12 purposes of this chapter;

13 (3) To establish plans and facilities for emergency treatment, relocation and physical  
14 custody of abused or neglected children which may include, but are not limited to,  
15 homemaker/educator child case aides, specialized foster family programs, day care facilities,  
16 crisis teams, emergency parents, group homes for teenage parents, family centers within existing  
17 community agencies, and counseling services;

18 (4) To establish, monitor, and evaluate protective services for children including, but not  
19 limited to, purchase of services from private agencies and establishment of a policy and  
20 procedure manual to standardize protective services;

21 (5) To plan and initiate primary and secondary treatment programs for abused and  
22 neglected children;

23 (6) To evaluate the services of the department and to conduct periodic comprehensive  
24 needs assessment;

25 (7) To license, approve, monitor, and evaluate all residential and non-residential child  
26 care institutions, group homes, foster homes, and programs;

27 (8) To recruit and coordinate community resources, public and private;

28 (9) To promulgate rules and regulations concerning the confidentiality, disclosure and  
29 expungement of case records pertaining to matters under the jurisdiction of the department;

30 (10) To establish a minimum mandatory level of twenty (20) hours of training per year  
31 and provide ongoing staff development for all staff; provided, however, all social workers hired  
32 after June 15, 1991, within the department shall have a minimum of a bachelor's degree in social  
33 work or a closely related field, and must be appointed from a valid civil service list;

34 (11) To establish procedures for reporting suspected child abuse and neglect pursuant to

1 chapter 11 of title 40;

2 (12) To promulgate all rules and regulations necessary for the execution of departmental  
3 powers pursuant to the Administrative Procedures Act, chapter 35 of title 42;

4 (13) To provide and act as a clearinghouse for information, data and other materials  
5 relative to children;

6 (14) To initiate and carry out studies and analysis which will aid in solving local, regional  
7 and statewide problems concerning children;

8 (15) To represent and act on behalf of the state in connection with federal grant programs  
9 applicable to programs for children in the functional areas described in this chapter;

10 (16) To seek, accept, and otherwise take advantage of all federal aid available to the  
11 department, and to assist other agencies of the state, local agencies, and community groups in  
12 taking advantage of all federal grants and subventions available for children;

13 (17) To review and coordinate those activities of agencies of the state and of any political  
14 subdivision of the state which affect the full and fair utilization of community resources for  
15 programs for children, and initiate programs that will help assure utilization;

16 (18) To administer the pilot juvenile restitution program, including the overseeing and  
17 coordinating of all local community based restitution programs, and the establishment of  
18 procedures for the processing of payments to children performing community service; and

19 (19) To adopt rules and regulations which:

20 (i) For the twelve (12) month period beginning on October 1, 1983, and for each  
21 subsequent twelve (12) month period, establish specific goals as to the maximum number of  
22 children who will remain in foster care for a period in excess of two (2) years; and

23 (ii) Are reasonably necessary to implement the child welfare services and foster care  
24 programs;

25 (20) May establish and conduct seminars for the purpose of educating children regarding  
26 sexual abuse;

27 (21) To establish fee schedules by regulations for the processing of requests from  
28 adoption placement agencies for adoption studies, adoption study updates, and supervision related  
29 to interstate and international adoptions. The fee shall equal the actual cost of the service(s)  
30 rendered, but in no event shall the fee exceed two thousand dollars (\$2,000);

31 (22) To be responsible for the education of all children who are placed, assigned, or  
32 otherwise accommodated for residence by the department in a state operated or supported  
33 community residence licensed by a Rhode Island state agency. In fulfilling this responsibility the  
34 department is authorized to enroll and pay for the education of students in the public schools or,

1 when necessary and appropriate, to itself provide education in accordance with the regulations of  
2 the board of regents for elementary and secondary education either directly or through contract;

3 (23) To develop multidisciplinary service plans, in conjunction with the department of  
4 health, at hospitals prior to the discharge of any drug-exposed babies. The plan requires the  
5 development of a plan using all health care professionals.

6 (24) To be responsible for the delivery of appropriate mental health services to seriously  
7 emotionally disturbed children and children with functional developmental disabilities.  
8 Appropriate mental health services may include hospitalization, placement in a residential  
9 treatment facility, or treatment in a community based setting. The department is charged with the  
10 responsibility for developing the public policy and programs related to the needs of seriously  
11 emotionally disturbed children and children with functional developmental disabilities.

12 In fulfilling its responsibilities the department shall:

13 (i) Plan a diversified and comprehensive network of programs and services to meet the  
14 needs of seriously emotionally disturbed children and children with functional developmental  
15 disabilities;

16 (ii) Provide the overall management and supervision of the state program for seriously  
17 emotionally disturbed children and children with functional developmental disabilities;

18 (iii) Promote the development of programs for preventing and controlling emotional or  
19 behavioral disorders in children;

20 (iv) Coordinate the efforts of several state departments and agencies to meet the needs of  
21 seriously emotionally disturbed children and children with functional developmental disabilities  
22 and to work with private agencies serving those children;

23 (v) Promote the development of new resources for program implementation in providing  
24 services to seriously emotionally disturbed children and children with functional developmental  
25 disabilities.

26 The department shall adopt rules and regulations, which are reasonably necessary to  
27 implement a program of mental health services for seriously emotionally disturbed children.

28 Each community, as defined in chapter 7 of title 16, shall contribute to the department, at  
29 least in accordance with rules and regulations to be adopted by the department, at least its average  
30 per pupil cost for special education for the year in which placement commences, as its share of  
31 the cost of educational services furnished to a seriously emotionally disturbed child pursuant to  
32 this section in a residential treatment program which includes the delivery of educational services.

33 "Seriously emotionally disturbed child" means any person under the age of eighteen (18)  
34 years or any person under the age of twenty-one (21) years who began to receive services from

1 the department prior to attaining eighteen (18) years of age and has continuously received those  
2 services thereafter who has been diagnosed as having an emotional, behavioral or mental disorder  
3 under the current edition of the Diagnostic and Statistical Manual and that disability has been on-  
4 going for one year or more or has the potential of being ongoing for one year or more, and the  
5 child is in need of multi-agency intervention, and the child is in an out-of-home placement or is at  
6 risk of placement because of the disability.

7 A child with a "functional developmental disability" means any person under the age of  
8 eighteen (18) years, or any person under the age of twenty-one (21) years who began to receive  
9 services from the department prior to attaining eighteen (18) years of age and has continuously  
10 received those services thereafter.

11 The term "functional developmental disability" includes autism spectrum disorders and  
12 means a severe, chronic disability of a person which:

13 (a) Is attributable to a mental or physical impairment or combination of mental physical  
14 impairments;

15 (b) Is manifested before the person attains age eighteen (18);

16 (c) Is likely to continue indefinitely;

17 (d) Results in age- appropriate substantial functional limitations in three (3) or more of  
18 the following areas of major life activity.

19 (i) Self-care;

20 (ii) Receptive and expressive language;

21 (iii) Learning;

22 (iv) Mobility;

23 (v) Self-direction;

24 (vi) Capacity for Independent Living; and

25 (vii) Economic self-sufficiency; and

26 (e) Reflects the person's need for a combination and sequence of special,  
27 interdisciplinary, or generic care, treatment, or other services which are of life-long or extended  
28 duration and are individually planned and coordinated.

29 Funding for these clients shall include funds that are transferred to the Department of  
30 Human Services as part of the Managed Health Care program transfer. However, the expenditures  
31 relating to these clients shall not be part of the Department of Human Services' Caseload  
32 estimated for the semi-annual Caseload Estimating Conference. The expenditures shall be  
33 accounted for separately.

34 (25) To provide access to services to any person under the age of eighteen (18) years or

1 any person under the age of twenty-one (21) years who began to receive child welfare services  
2 from the department prior to attaining eighteen (18) years of age, has continuously received those  
3 services and elects to continue to receive such services after attaining the age of eighteen (18)  
4 years. The assembly has included funding in the FY 2008 Department of Children, Youth and  
5 Families budget in the amount of \$10.5 million from all sources of funds and \$6.0 million from  
6 general revenues to provide a managed system to care for children serviced between 18 to 21  
7 years of age. The department shall manage this caseload to this level of funding.

8 (26) To develop and maintain, in collaboration with other state and private agencies, a  
9 comprehensive continuum of care in this state for children in the care and custody of the  
10 department or at risk of being in state care. This continuum of care should be family-centered and  
11 community-based with the focus of maintaining children safely within their families or, when a  
12 child cannot live at home, within as close proximity to home as possible based on the needs of the  
13 child and resource availability. The continuum should include community-based prevention,  
14 family support and crisis intervention services as well as a full array of foster care and residential  
15 services, including residential services designed to meet the needs of children who are seriously  
16 emotionally disturbed, children who have a functional developmental disability and youth who  
17 have juvenile justice issues. The director shall make reasonable efforts to provide a  
18 comprehensive continuum of care for children in the care and custody of the DCYF, taking into  
19 account the availability of public and private resources and financial appropriations and the  
20 director shall submit an annual report to the general assembly as to the status of his or her efforts  
21 in accordance with the provisions of subsection 42-72-4(b)(13).

22 (27) To administer funds under the John H. Chafee Foster Care Independence and  
23 Educational And Training Voucher (ETV) Programs of Title IV-E of the Social Security Act, and  
24 the DCYF Higher Education Opportunity Grant Program as outlined in RIGL § 42-72.8, in  
25 accordance with rules and regulations as promulgated by the director of the department.

26 (c) In order to assist in the discharge of his or her duties, the director may request from  
27 any agency of the state information pertinent to the affairs and problems of children.

28 (d) [Deleted by P.L. 2008, ch. 9, art. 16, § 2.]

29 (e) [Deleted by P.L. 2008, ch. 9, art. 16, § 2.]

30 (f) Notwithstanding the provisions of subsections 42-72-5 (b)(24) and 42-72-5(b)(25), a  
31 person aged 19 years or older with a "functional developmental disability", as defined in  
32 subsection 42-72-5 (b)(24), who is receiving services under this section may, at the discretion of  
33 the director, be transferred to the developmental disabilities program of the department of  
34 behavioral healthcare, developmental disabilities and hospitals, provided that he or she qualifies

1 [as eligible for services under § 40.1-1-8.1 through the department of behavioral healthcare,](#)  
2 [developmental disabilities and hospitals.](#)

3 SECTION 2. This article shall take effect upon passage.

4 **ARTICLE 27**

5 RELATING TO MEDICAL ASSISTANCE RECOVERIES

6 SECTION 1. Chapter 34-4 of the General Laws entitled "Estates in Real Property" is  
7 hereby amended by adding thereto the following section:

8 **34-4-2.1. Reservation of Life Estate with enhanced powers.** -- [A grantor may convey](#)  
9 [title to real estate and reserve a life estate therein, coupled with the reserved power and authority,](#)  
10 [during his or her lifetime, to sell, convey, mortgage, or otherwise dispose of the real property](#)  
11 [without the consent or joinder by the holders of the remainder interest. A duly-executed](#)  
12 [conveyance by the life tenant exercising such reserved powers shall, upon recording, vest good](#)  
13 [title to the interest conveyed in the grantee thereof, free and clear of any right, title and interest of](#)  
14 [the holders of the remainder interest without the necessity of any additional conveyance by any](#)  
15 [such remaindermen.](#)

16 SECTION 2. Section 40-6-9 of the General Laws in Chapter 40-6 entitled "Public  
17 Assistance Act" is hereby amended to read as follows:

18 **40-6-9. Assignment and subrogation for recovery of child, spousal and medical**  
19 **support rights.** -- (a) An applicant for or recipient of public assistance under this chapter or  
20 under title XIX of the federal Social Security Act, 42 U.S.C. § 1396 et seq., for and on behalf of  
21 himself or herself and for and on behalf of a child or children, shall be deemed, without the  
22 necessity of signing any document for purposes of recovery, to have made an assignment and  
23 given a right of subrogation to the executive office of health and human services and/or the  
24 department of human services, as applicable, of any and all rights and interests in any cause of  
25 action, past, present, or future, that the applicant or recipient may have against any person failing  
26 to or obligated to provide for the support, maintenance, and medical care of the applicant,  
27 recipient, and/or minor child or children, for the period of time that assistance is being paid by the  
28 executive office of health and human services and/or the department. The executive office of  
29 health and human services and/or the department shall be subrogated to any and all rights, title,  
30 and interest the applicant or recipient may have against any and all property belonging to the  
31 obligated or non-supporting person in the enforcement of any claim for child, spousal, and  
32 medical support, whether liquidated through court order or not. The applicant or recipient shall  
33 also be deemed, without the necessity of signing any document, to have appointed the executive  
34 office of health and human services and/or the department of human services as his or her true

1 and lawful attorney in fact to act in his or her name, place, and stead to perform the specific act of  
2 instituting suit to establish paternity or secure support and medical care, collecting any and all  
3 amounts due and owing for child, spousal, and medical support, endorsing any and all drafts,  
4 checks, money orders, or other negotiable instruments representing support payments which are  
5 received by executive office of health and human services and/or the department, and retaining  
6 any portion thereof permitted under federal and state statutes as reimbursement for financial, ~~and~~  
7 medical and any other assistance previously paid to or for the recipient, child, or children.

8 (b) An applicant for or a recipient of medical assistance provided by executive office of  
9 health and human services and/or the department pursuant to this chapter or chapter 8 of this title  
10 or title XIX of the federal Social Security Act, 42 U.S.C. § 1396 et seq., for and on behalf of  
11 himself or herself, and for and on behalf of any other person for whom he or she may legally  
12 assign rights to any medical support or any other medical care, shall be deemed, without the  
13 necessity of signing any document for purposes of reimbursement, to have made an assignment  
14 and given a right of subrogation to executive office of health and human services and/or the  
15 department of human services of any and all rights and interests that he, she, or such other person  
16 may have: (1) to payment for any medical support; and (2) to any payment ~~for any medical care~~  
17 from any third party that has a legal liability to pay for care and services available and provided to  
18 the applicant or recipient. The executive office of health and human services and/or the  
19 department of human services shall, in accordance with this section and all applicable state and  
20 federal laws, be entitled to any payments by a third party to recover costs from the full amount of  
21 an applicant's or recipient's liability settlement(s). For this purpose, the executive office of health  
22 and human services may place a lien against an applicant's or recipient's liability settlement(s).

23 (c) In addition to the assignments and subrogation rights provided in subsections (a) and  
24 (b) of this section, an applicant for or a recipient of financial assistance provided by the executive  
25 office of health and human services and/or department pursuant to this chapter, whenever the  
26 assistance is necessary by reason of accident, injury, or illness for which a third party may be  
27 liable, for and on behalf of himself or herself, and for and on behalf of any other person for whom  
28 he or she may legally act, shall be deemed, without the necessity of signing any document, to  
29 have assigned and subrogated to the executive office of health and human services and/or the  
30 department of human services, from amounts recovered or recoverable from any third party, an  
31 amount of money equal to the amount of financial assistance provided as a result of the accident,  
32 illness, or injury.

33 (d) With respect to an assignment and subrogation rights established pursuant to this  
34 section, an applicant or recipient shall provide to the executive office of health and human

1 services and/or the department of human services all relevant information regarding the assigned  
2 and subrogated rights, and shall execute any documents relating thereto, in accordance with rules  
3 and regulations to be adopted by the executive office of health and human services and/or the  
4 department.

5 (e) With respect to any assignment and subrogation rights for medical or financial  
6 support or other recoveries under this section, the executive office of health and human services  
7 and/or the department of human services shall be considered to have acquired the rights of such  
8 individual to payment by any third party for such medical care and support, ~~and~~ financial support  
9 and other recoveries.

10 (f) An applicant for or a recipient of medical assistance provided by the executive office  
11 of health and human services in accordance with chapter 40-8 shall also be subject to the  
12 provisions of chapter 27-57.1. Funds available to be paid for the payment of child support shall  
13 supersede any payment made pursuant to this chapter and chapter 27-57.1.

14 (g) The executive office of health and human services and/or the department of human  
15 services shall, in accordance with this section and all applicable state and federal laws, be entitled  
16 to any payments by a third party to recover costs from the full amount of an applicant's or  
17 recipient's liability settlement(s). For this purpose, the executive office of health and human  
18 services may place a lien against an applicant's or recipient's liability settlement(s). Nothing in  
19 these sections shall limit the executive office of health and human services and/or the department  
20 of human services from recovery, to the extent of the distribution, in accordance" with all state  
21 and federal laws.

22 SECTION 3. Chapter 40-8 of the General Laws entitled "Medical Assistance" is hereby  
23 amended by adding thereto the following section:

24 **40-8-3.1. Life Estate in Property- Retained Powers.** -- (a) Every applicant or recipient  
25 of medical assistance who owns a life estate in property that is his or her primary residence, with  
26 a retained right to revoke, amend or redesignate the remainderman, will not be eligible for  
27 medical assistance, unless the applicant or recipient conveys all outstanding remainder interest to  
28 him or herself, in accordance with rules and regulations promulgated by the executive office of  
29 health and human services.

30 (b) An applicant or recipient who has reserved a life estate with retained rights to revoke,  
31 amend or redesignate the remainderman by a deed created, executed and recorded prior to the  
32 effective date of this section, shall not be ineligible for medical assistance on the basis of such  
33 deed, regardless of whether the remainderman is a person or persons, a trust or entity.

34 SECTION 4. Section 2 of this article shall take effect as of October 1, 2014. The

1 remainder of this article shall take effect upon passage.

2 **ARTICLE 28**

3 RELATING TO EDUCATION

4 SECTION 1. Section 16-8-10.1 of the General Laws in Chapter 16-8 entitled "Federal  
5 Aid" is hereby amended to read as follows:

6 **16-8-10.1. Mandatory school breakfast programs.** -- (a) All public schools shall make  
7 a breakfast program available to students attending the school. The breakfast meal shall meet any  
8 rules and regulations that are adopted by the commissioner.

9 (b) The state of Rhode Island shall may provide school districts a per breakfast subsidy  
10 for each breakfast served to students. The general assembly shall may choose to annually  
11 appropriate some sum and distribute it based on each district's proportion of the number of  
12 breakfasts served in the prior school year relative to the statewide total in the same year. This  
13 subsidy, if appropriated, shall augment the nonprofit school food service account and be used for  
14 expenses incurred in providing nutritious breakfast meals to students.

15 SECTION 2. Section 16-23-3.1 of the General Laws in Chapter 16-23 entitled  
16 "Textbooks" is hereby repealed.

17 ~~**16-23-3.1. Reimbursements to municipalities for costs of English/language arts and**~~  
18 ~~**history/social studies textbooks for students in grades K-12.**~~ --There is hereby established a  
19 ~~textbook reimbursement fund for which the general assembly shall make a specific appropriation.~~  
20 ~~The department of elementary and secondary education shall administer the appropriation. School~~  
21 ~~districts shall submit to the department of elementary and secondary education evidence of the~~  
22 ~~cost of English/language arts and/or history/social studies textbooks that the district has provided~~  
23 ~~to students in grades K-12 pursuant to § 16-23-2. The costs shall be reimbursed from the textbook~~  
24 ~~reimbursement fund by the department of elementary and secondary education upon presentation~~  
25 ~~by a school district of the evidence of cost.~~

26 SECTION 3. This article shall take effect as of July 1, 2014.

27 **ARTICLE 29**

28 RELATING TO EFFECTIVE DATE

29 This article provides that the act shall take effect as of July 1, 2014, except as otherwise  
30 provided herein.

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